



Daily Report

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Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Delegate Rejects U.S. 'Vicious Attacks'

OW2202075492 Beijing XINHUA in English
0734 GMT 22 Feb 92

[Text] Geneva, February 21 (XINHUA)—A Chinese delegate said here today that a country which has various violations of human rights at home and made armed invasions of Grenada and Panama has no right whatsoever to lash out at others on the human rights situation.

The remarks were made in response to U.S. Assistant Secretary of State Richard Schifter's lengthy and vicious attacks on Thursday on China's white paper on human rights at the 48th Session of the U.N. Commission on Human Rights.

The Chinese delegate, Zhang Yishan, said that the American official had made the attack simply because the white paper had expressed the viewpoints on human rights of China and of some other developing countries which have similar situations.

He said the document, as a comprehensive summary of the theory and practice of the Chinese people in safeguarding human rights, showed the Chinese Government's concern and protection of human rights.

The document, entitled "Human Rights in China" and released on November 1, 1991, expounds China's basic position and policy on human rights and, with a host of hard facts, gives an account of the improving record in China's human rights situation since the founding of the People's Republic.

Zhang said the United States, which issued a human rights blue paper annually for the sole purpose of accusing others on the basis of utterly groundless reports and rumors, had always made unscrupulous attacks on others and never adversely commented on its own human rights record, which was full of racial discrimination, homelessness, police brutality, murders and crimes.

Washington should add a chapter to its blue paper about its infamous armed invasions of Grenada and Panama and armed threats to other small countries, Zhang said.

He said the United States, acting in a manner of an angel protecting human rights, was in fact practicing power politics and hegemony when it was making arbitrary comments on other countries.

That was a direct violation of international law, Zhang noted.

Envoy Refutes Attack

OW2202131792 Beijing XINHUA Domestic Service
in Chinese 1210 GMT 22 Feb 92

[Local Broadcast News Service]

[Text] Geneva, 21 February (XINHUA)—Speaking at a UN human rights conference here on 21 February, Chinese delegate Zhang Yishan said: There is this country in the world which commits various abuses of human rights at home and violates and threatens human rights in other countries. It has no right whatsoever to launch arbitrary attacks on the human rights situation in other countries.

The Chinese delegate made the remarks in refuting an attack launched by his American counterpart. In a lengthy speech delivered at the human rights conference on 20 February, U.S. Assistant Secretary of State Schifter assailed China's white paper on the human rights situation.

Zhang Yishan said: The white paper issued by China systematically sums up the theory and practice of the Chinese people in promoting and safeguarding human rights. It shows the Chinese Government's concern for and protection of human rights. That American gentleman used the forum of this human rights conference to specifically attack China's white paper, simply because the paper realistically expresses some of the views on human rights issues held by China and by certain developing countries with similar situations.

He stated: The United States issues a blue paper on human rights every year, in which it makes thoughtless comments on the affairs of other countries on the basis of utterly groundless reports and rumors and refrains from commenting on its own human rights situation. He said: There are many instances of human rights violations in that country. Besides racial discrimination, homelessness, police brutality, murder, and crime at home, it is known internationally to have occupied Grenada militarily, mounted an armed invasion of Panama, and frequently made armed threats to smaller countries. It should add a chapter about its human rights abuses to its blue paper.

The Chinese delegate said emphatically: All countries—small or large—are equal. This is the basic principle of contemporary international law. Nevertheless, the United States wants to pose as an angel of human rights and arbitrates the human rights situation in various countries like a grand justice on human rights issues. Who confers this right on it? This is a direct violation of international law, as well as an act of power politics and hegemonism.

Trade Frictions Affect 'Politics,' 'Security'

HK2202040792 Beijing RENMIN RIBAO
in Chinese 14 Feb 92 p 6

["News analysis" by staff reporter Yao Li (1202 4539):
"Controversy Caused by Quayle's Remarks"]

[Text] Brussels, 12 Feb (RENMIN RIBAO)—Partners on both sides of the Atlantic have entered into a controversy in the past few days.

The controversy was caused by the following event: On 9 February, U.S. Vice President Dan Quayle attended a discussion on NATO security policies in Munich. Being carried away with his high mood during the meeting, the vice president picked up the topic of agricultural products being discussed between the United States and Europe in the GATT Uruguay round of talks, a topic not included in his written speech. Quayle indicated that "trade is a security issue"; failure in the GATT talks will intensify the present U.S. tendency toward trade protectionism, and will also give rise to its voice for a complete withdrawal of its troops stationed in Europe. Therefore, he considered the GATT talks "extremely important to the security of Europe, the United States, and even Asia."

Lugar, the Indiana senator who attended the meeting with Quayle, added fuel to the flames. He said that the difficulties the United States have met during the GATT talks will only make the United States more resolute in adopting an "isolation" approach, and such an approach will undoubtedly be reflected in issues concerning NATO. This is because that, on the part of American voters, the United States sends troops to safeguard Europe's security at its own expenses; however, instead of being grateful, Europe is diametrically opposed to the United States on trade issues. Such a situation is unacceptable to the United States.

The remarks of Quayle and the senator immediately aroused resentment among their European partners participating in the meeting. Foreign Minister Van Den Broek of the Netherlands considered it senseless to say that it would be better to reach an agreement in the GATT talk if no one wants the United States to leave NATO; he also said that "this is not the way to talk to friends." On 10 February, Foreign Minister Joao de Deus Pinheiro of Portugal, present chairman state of the EC, also told correspondents in Lisbon: "Those who believe Europe will give in under political pressure are grievously mistaken." All of a sudden, the relations between both sides of the Atlantic became increasingly tense.

Facing such a storm stirred up by himself, Quayle hurriedly explained the following day that "there is no relationship between the GATT talks and the number of U.S. troops stationed in Europe." In order to make his "clarification" sound more authoritative, he specially pointed out that he made these remarks "in the name of the U.S. President."

Then, on 11 February, during a talk with correspondents before his meeting with visiting Turkish Prime Minister Suleyman Demirel, U.S. President George Bush indicated that the number of U.S. troops stationed in Europe "is not at all related to" the world trade talks which had reached an impasse. He also asserted that he would by no means "fall under the influence of many politicians." It seems that U.S. leaders are trying their best to stop this storm.

As a matter of fact, since the beginning of this year, the United States and Europe have had many discords during their GATT talks. In mid-January 1992, Bush criticized the EC in one of his speeches for "hiding behind the iron curtain of protectionism," refusing the suggestion of cutting down their subsidies on agricultural products, and repeatedly leading the Uruguay round of talks to a deadlock. However, the EC did not give in in the face of such criticism. At present, though the over-five-year Uruguay round of talks have entered their last phase, the United States and Europe are still locked in a stalemate on the agricultural products issue. The United States is extremely annoyed at such a situation. Public opinion generally believes that, in the face of the forthcoming U.S. general election and a domestic economic recession, it is hard for Bush to make any concessions on the agricultural products issue; and a move otherwise would only arouse the dissatisfaction of U.S. farmers. Under such circumstances, the United States has no alternative but to force Europe to give in.

What merits attention is that Quayle's move to link "trade" with "security" in his speech has added to the weight of U.S. pressure. Although the U.S. President clarified this issue, what Quayle has said will not be easily erased from the memory of their European partners. The United States is sure that Europe cannot afford to part from the United States on the issue of security for the time being, and the voices inside the United States for an early withdrawal of U.S. troops stationed in Europe have become increasingly higher. In my opinion, therefore, it is not an accident for Quayle to make such remarks at such a time.

To counter Quayle's view to link "trade" with "security," people in Europe have pointed out that Quayle's remarks may serve to urge Europe to consider working out a common defense policy as soon as possible. Such an answer alone may not be what the United States has been expecting. In any case, however, this storm has showed clearly that the trade frictions between the United States and Europe have begun to affect the fields of politics and security.

Journal Views U.S.-Russian Relations

HK2402064092 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 6-7, 17 Feb 92 p 49

["Special dispatch" from Washington by Huang Yong (7806 3144): "U.S.-Russian Relations as Seen From Bush-Yeltsin Meeting"]

[Text] On 1 February at Camp David, U.S. President George Bush met with Russian President Boris Yeltsin who had come to America to attend a UN Security Council summit. The two sides discussed issues concerning the reduction of nuclear weapons, prevention of nuclear proliferation, Russia's reform, and the present situation in the Commonwealth of Independent States [CIS].

This was the first meeting between U.S. and Russian leaders since the disintegration of the Soviet Union. U.S. public opinion held that, to Yeltsin, the significance of this meeting with Bush was not secondary to that of attending the UN Security Council summit. Through his meeting with Bush, Yeltsin could explain Russia's economic reform program and its newly released nuclear reduction plan; seek political cooperation and economic aid from the United States; and establish a special status for Russia in dealing with the United States as a country which has inherited the interests of the former Soviet Union. This meeting also held great significance for Bush because he not only needed to acquaint himself with the situation in the former Soviet Union and Yeltsin's true intentions in reform and disarmament, but he also wanted to take the opportunity to express his support for Yeltsin. According to U.S. media reports, the Bush administration had reached a conclusion before the Bush-Yeltsin meeting that Yeltsin was, so far, a Russian leader "who most conformed to the interests of the United States." If Yeltsin was toppled, relations between the United States and Russia would take a sudden unfavorable turn and deteriorate rapidly, and the two countries would return to a state of "cold war." In addition, although its international status is not as high as that of the former Soviet Union, Russia still remains a nuclear power with considerable economic strength and its influence on the entire world order allows for no underestimation. In order to show that he valued Yeltsin and U.S.-Russian relations, Bush invited Yeltsin specially from New York to Camp David to have a meeting.

At the end of their meeting, a joint declaration was issued, which stressed that U.S.-Russian relations have entered a "new phase" and that "the United States and Russia will no longer regard each other as potential rivals" but "partners sharing a common value outlook." Meanwhile, the two sides also expressed hopes of carrying out "closer cooperation" in the political, economic, and diplomatic fields. At a jointly sponsored press conference, Yeltsin disclosed that, during the meeting, he and Bush addressed each other by their first names. The personal relations between the two men seemed rather intimate. However, U.S. media has noticed that besides issuing a declaration and announcing the mutual visits of state leaders, the talks seem to have yielded few concrete results. Moreover, although present U.S.-Russian relations are totally different from past confrontation, remarks made by officials from both sides show that the shadow of the "cold war" has not yet disappeared completely and the two sides are still out of harmony with each other on a number of major issues.

Divergence between the United States and Russia is most prominent on the issue of nuclear disarmament. Before their meeting, Bush and Yeltsin put forward their own new proposals on reducing strategic nuclear weapons. In his State of the Union Message on 28 January, Bush suggested that the United States destroy all its MX intercontinental missiles, transform Minuteman III multiwarhead missiles into single-warhead

intercontinental missiles, and reduce the number of warheads for submarine-launched missiles by two-thirds on condition that Russia and other CIS member states agree to destroy all their land-based multiwarhead intercontinental missiles. Yeltsin put forward a counterproposal on 29 January, urging the United States and Russia to cut down on the number of their own strategic nuclear weapons by reducing the existing over 10,000 warheads and bombs to 2,500. He also suggested that the two countries join hands in establishing a "global defense system" against nuclear attacks with a view to replacing the existing "strategic defense program" which has been developed by the United States alone. U.S. public opinion holds that although the two countries keep saying that their new disarmament proposals aim to "turn hostility into friendship after the end of the cold war," each actually has a separate plan. Bush's new disarmament proposal seems to be based on the following three major points: 1) To prevent "nuclear proliferation" and "uncontrolled nuclear chaos" in the former Soviet Union; 2) to completely destroy the superiority of the former Soviet Union in land-based multiwarhead intercontinental missiles; and 3) to cut down on military expenses and use the money saved to deal with increasingly serious domestic economic problems. The U.S. public believes that by putting forward his proposal on establishing a "global defense system," Yeltsin can "kill two birds with one stone," that is, while attempting to solve domestic economic problems by reducing military expenses, Yeltsin can try to maintain a strategic balance with the United States. In addition, Yeltsin can prevent the United States from monopolizing antimissile technologies and also open up new means of livelihood for Russian scientific and technological personnel in this field, thus avoiding a "brain drain." In a report on Yeltsin's disarmament proposal, the U.S. *TIME* magazine pointed out that in his attempt to "extricate Russia from the expensive arms race, Yeltsin tries to avoid Russia being downgraded to a second-class country." Although the United States did not flatly reject Yeltsin's disarmament proposal, U.S. Secretary of Defense Dick Cheney has explicitly expressed his opposition to a drastic reduction in strategic nuclear weapons because such a move would weaken the country's superiority in submarine-launched and airborne strategic weapons. Cheney also considered it "too early" for the United States and Russia to join hands in establishing an anti-nuclear defense system. Further talks on the destruction and reduction of nuclear weapons are expected to be held between the United States and Russia. Some observers believe that because Russia and other CIS member states have to look to the United States for economic help, the outcome of the talks will ultimately prove favorable to the United States.

As government head of China, a permanent member of the Security Council, Li Peng attended the meeting and made an important speech, in which he compendiously expounded China's stand and views on current major international issues, reiterating China's opinions and position on what kind of new international order should

be established. He also expressed the Chinese Government's wishes to cooperate with all member countries on the issue of strengthening the UN role in safeguarding world peace and security. Premier Li Peng's remarks were welcomed and commended inside and outside the meeting. After the meeting, many leaders of the participating countries, UN officials, and journalists congratulated Premier Li Peng and the Chinese officials, saying that the Chinese premier's speech was "unusual," "with substantial content," and "something that a number of countries in the Third World wanted to say." During the meeting, Premier Li Peng had interviews with leaders of various participating countries, exchanging views on bilateral relations and important international issues, which have promoted mutual understanding.

The meeting has achieved positive results. It is a good beginning in seeking world peace and security. When the meeting ended, leaders of all participating countries adopted a resolution, authorizing the meeting chairman to publish the "Chairman's Declaration." The declaration expressed their common wishes: Give enthusiastic support to the United Nations in its effort to play a greater role in safeguarding world peace and security under the new situation. The declaration also expressed wishes to support and cooperate with the UN secretary general in his work.

The world opinions and relevant parties, on the whole, positively and enthusiastically appraised the summit. In view of the aforementioned facts, UN Secretary General Ghali suggested that such a Security Council summit be held periodically in future to continuously enhance the UN's role in safeguarding world peace and security.

Editorial Urges Restoring GATT Membership

*HK2402111492 Hong Kong WEN WEI PO in Chinese
17 Feb 92 p 2*

[Editorial: "China's Return to GATT Benefits World Economy"]

[Text] China's GATT work team held a meeting last week to discuss the issue of China's position in GATT. The Chinese delegation has expressed to GATT that they are willing to begin negotiations with relevant GATT members at once in line with the tariff concession rules. China also reiterated that it would make continuous efforts to reform the foreign trade system so that it would meet GATT requirements.

The Agreement came into force in 1948, and China was one of the founder countries. China restored its legitimate seat in the United Nations in 1971. Since 1982, China has sent delegates to attend GATT's annual meeting as observers, and became a member of the International Textile Trade Agreement subordinate to the GATT. In 1986, China officially applied to restore its place in GATT.

Although GATT is not a UN special organization, still it has close connections with the United Nations. It plays

an important role in international economic and trade activities, and its main tasks are to conduct multilateral trade negotiations and coordinate trade disputes among member countries.

On the one hand, China is a GATT founder, on the other hand, after more than 10 years of reform and opening up, its foreign trade structure has undergone in-depth reform, and conditions are ripe for China to restore its place in GATT. In recent years, China's total annual volume of foreign trade exceeded \$100 billion. China has become the 16th largest country for trade in the world, and has been growing at an average of 15-odd percent a year. More than 85 percent of China's import and export trade is conducted with GATT members. Therefore, restoration of China's place in GATT is conducive to China's in-depth reform and opening wider to the outside world, and in its expansion of trade contacts with various countries on the basis of equality and mutual benefits. Disputes and controversies are inevitable in foreign trade, but they can be settled through negotiations in the framework of GATT.

In restoring China's seat in GATT, however, it is not China alone that benefits, but GATT's authority and all GATT members (especially the major trading powers) will likewise benefit. The rapid development of China's foreign trade has been reacted to by trade protectionism in America and Europe, and criticized as so called "dumping" and the like. This kind of trade dispute can only be settled through negotiations, and GATT is precisely the best organization for multilateral trade negotiations. Following the growth of complementary economy in Mainland China, Hong Kong, Macao, and Taiwan regions, as well as the increase in product exports, it is envisaged that such trade disputes will increase in future. For this reason, China's rejoining GATT will vigorously promote GATT's multilateral trade structure as well as economic relations and trade in the world.

Previously, some countries, including the United States, pointed out that China's foreign trade structure did not meet GATT's requirements on the ground that "China's foreign trade is subsidized by the government" in an attempt to stand in the way of China's rejoining GATT. When these obstacles were gradually removed in the late 1980's, China's application was again laid aside by some Western countries for the disturbance which took place in late spring and early summer 1989. This is a practice of using politics to interfere with economics, which is entirely out of keeping with the GATT's aim, and also in violation of the various civilized norms, as labelled by the West. Moreover, China has carried out major reform in its foreign trade structure in recent years, abolishing export subsidies by the government, and letting foreign trade enterprises assume sole responsibility for their profits or losses. This year, China will push enterprises into the markets step by step. All this has made China better tally with GATT requirements.

According to a foreign source in Geneva, the United States and other Western countries are "still not prepared" to accept China in GATT. If it is true, then this attitude is very inappropriate. If they take this as a means to force China to make concessions, they are not wise, and will hurt themselves by injuring others. China's position in the world economy is increasingly important, and China has become a major source of a number of commodities in U.S. markets. The results of China's planned commodity economy are remarkable, and it is obvious to all that China has made great efforts to rejoin GATT. China's place as a GATT member should be restored as soon as possible, and any obstructions and interference will not last long as they are unjustifiable.

Delegate Calls for Chemical Weapons Solution

OW2102130892 Beijing XINHUA Domestic Service
in Chinese 0710 GMT 21 Feb 92

[Text] Geneva, 20 February (XINHUA)—Hou Zhitong, head of the Chinese delegation to the Geneva disarmament meeting, emphasized here recently: Future chemical weapons conventions must impartially solve the problem of chemical weapons that have been left behind and unequivocally stipulate that those weapons must be destroyed by whoever left them behind.

Hou Zhitong expressed this position in his letter to (Jikak), chairman of the Geneva disarmament talks, and in two working documents submitted to the meeting by him, concerning chemical weapons left in China by foreign countries.

Hou Zhitong emphatically pointed out: The convention on total ban and complete destruction of chemical weapons under discussion at the meeting must impartially solve the problem of chemical weapons that have been left behind, and unequivocally stipulate that they must be destroyed by whoever leaves them behind. On this premise, we should not rule out that the countries concerned find a proper and concrete solution through consultations.

The Chinese delegation told reporters today that the two documents submitted are "some information on chemical weapons left behind in China by foreign countries" and "China's principled stand and suggestions on the question of chemical weapons that have been left behind. They describe in detail the number, variety, and distribution of chemical weapons left behind in China by foreign countries.

The disposal of chemical weapons that have been left behind is one of the major topics of the talks on a convention on chemical weapons.

NATO, CIS, East Europe Adopt Weapons Plan

OW2202040992 Beijing XINHUA in English
0301 GMT 22 Feb 92

[Text] Brussels, February 21 (XINHUA)—Delegates from NATO nations, the Commonwealth of Independent States (CIS) and East European countries today adopted a program for the implementation of the treaty on cutting back Europe's conventional weapons.

The program was adopted at a high-level working group meeting held in NATO's headquarters in Brussels today.

The Arms Reduction Treaty signed in 1990 by the 16 NATO members and former Warsaw Pact member states called for massive cuts on tanks and other conventional weapons, but the disintegration of the Soviet Union has made it necessary to amend it.

Under the program adopted today, all independent former Soviet republics must finish their technical amending of the treaty by the end of May. And the treaty will come into effect on the 10th day after all sides have formally completed the ratification process.

CIS To Join NATO Cooperation Committee

OW2202032592 Beijing XINHUA in English
0109 GMT 22 Feb 92

[Text] Bonn, February 21 (XINHUA)—Members of the Commonwealth of Independent States (CIS) will join the Cooperation Committee of the North Atlantic Treaty Organization (NATO) in March, announced NATO Secretary General Manfred Woerner today.

Visiting the German Federal Defense Command Institute in Hamburg, Woerner said a foreign ministerial meeting would be held then to discuss the problem.

Georgia could also join the committee if it wanted to do so and the conflicts there calmed down, he added.

Woerner said that for the long run, it was possible for CIS states to become NATO members.

The Cooperation Committee is a newly established group which aims at strengthening NATO's defense cooperation with the East European countries.

India, Russia Sign 'First Ever' Trade Protocol

OW2302043092 Beijing XINHUA in English
0325 GMT 23 Feb 92

[Text] New Delhi, February 23 (XINHUA)—India and the Russian Federation signed on Saturday their first ever trade protocol envisaging a two-way trade of about 75 billion rupees (2.94 billion U.S. dollars) for 1992, local press reported today.

According to the protocol, the contracts shall be dominated in freely convertible currencies at internationally competitive prices, but the payments will be made in

Indian rupees at the prevailing exchange rate between that international currency and the Indian rupees.

While Russia will export crude, kerosene, diesel, nonferrous metals, polyethylene, synthetic rubber and newsprint, the Indian exports will include tea, coffee, textile items, black pepper, soybean extractions, castor oil, medicines, shoe uppers, paints, cosmetics, detergents and plastic products.

To facilitate the flow of trade, India has offered a technical credit of 8,500 million rupees (333 million U.S. dollars) for 1992.

The protocol was signed by Commerce Secretary A.V. Ganesan on behalf of India and by V.A. Shibaev, deputy chairman of the State Committee of Foreign Economic Relations, on behalf of the Russian Federation.

Foreign Minister on International Situation

HK2202024592 Beijing SHIJIE ZHISHI in Chinese
No 1, 1 Jan 92 pp 2-3

["Qian Qichen, State Councilor and Foreign Minister, Answers Staff Reporter's Questions on International Situation and China's Diplomacy"]

[Text] As the New Year is approaching, Comrade Qian Qichen, state councilor and foreign minister, answered our staff reporter's questions on the present international situation and China's diplomacy.

[Reporter] Major events have occurred in the world in 1991. Would you discuss the main developments in the international situation for the past year?

[Qian] As I see it, the biggest international event in the past year is the Soviet Union's disintegration. The bipolar pattern of U.S.-Soviet confrontation has ended and international relations have entered a period of unprecedented changes and reorganization after World War II. The imbalance of forces has led to the deterioration of previously concealed contradictions. In particular, national and regional conflicts have risen one after another. The Gulf war and Yugoslav civil war are two conspicuous examples. In the coming year, the international situation will remain turbulent, unstable, complicated, and changeable.

On the other hand, there are stronger development signs of multipolarization in the world and international appeals are increasing for the establishment of a fair and rational new international order. Peace and development are still the common wish of the people in different countries and are still the main trends of the present-day world.

[Reporter] After the drastic change in the Soviet Union, the United States debated over how to appraise its own position in the world and how to formulate a new strategy. Different countries have different views on the world pattern arising after the disintegration of the bipolar pattern. What is your opinion of this?

[Qian] There were two superpowers. Now the Soviet Union has disintegrated and the United States is facing many difficulties at home. In terms of comprehensive national strength, the United States is the strongest nation in the world. But the U.S. economy has not gotten out of the shadow of depression. Its position is not favorable in its competition with West Europe and Japan. In international relations, the United States is also restricted by all kinds of forces. Its ability falls short of its ambition. History for the last 40-odd years since the end of the war has proved that the two superpowers have met with opposition from the people in different countries in their attempt to dominate the world, and their attempt to dominate the world has caused huge harm to their social and economic development. The world multipolarization trend is difficult to resist.

[Reporter] The convening of the EC summit in Maastricht indicated major headway in the unification process of West Europe. Please talk about the development of the European situation over the past year.

[Qian] At the Maastricht meeting, EC heads of state reached an agreement on economic and political alliance and monetary union. This indicates a major step forward in West European alliance. But we should also understand that drastic changes in the Soviet Union and East Europe have broken the balance of forces in Europe and caused new contradictions. A Europe which has long remained stable since the end of the war has now become a turbulent and changeable continent. German unification has broken the internal balance of the EC. Contradictions and differences between Germany, France, and Britain on the European issue have become increasingly prominent, as have national, religious, and territorial conflicts and disputes left over from European history. The Yugoslav civil war affects major European nations and peace and stability in Europe. Repeated EC failures to mediate the Yugoslav civil war suggest that it takes time to bring about genuine unification and to play a bigger role in diplomatic and security affairs.

[Reporter] In early 1991, the Gulf war broke out in the Middle East, causing a major change in the force pattern there. At the end of that year, a Middle East peace meeting was held under U.S. mediation. What is your opinion on the development of the Middle East situation over the past year?

[Qian] The Gulf war was the first local war which broke out after the end of the Cold war. The United States and its allies won this war, but to bring about peace in the Middle East, Arab-Israeli conflicts and contradictions, including the Palestinian issue, must be solved. The Middle East peace meeting was a development of positive significance. Now the relevant Arab and Israeli sides have started direct talks. But it is not easy to bring about results. An overall and fair settlement of the Middle East issue needs the continued, prolonged, and arduous efforts by the relevant sides.

[Reporter] In November 1991, you led a delegation to the third ministerial meeting of the Asia-Pacific Economic Cooperation [APEC] organization. How do you view the development of the situation in the Asia-Pacific region?

[Qian] China has formally joined APEC. Chinese Taipei and Hong Kong have also joined as regions. This is conducive to promoting economic cooperation in the Asia-Pacific region and is well received by Asia-Pacific nations. Now the Asia-Pacific region is politically stable and its economic position is rising in the world. In 1991, Asian countries maintained economic growth rates higher than other regions. China takes serious account of economic cooperation in the Asian region and has always been active in this respect. Unquestionably, China's stable development is an important factor in the stability and development of the Asian region. In Asia, the Cambodian issue has been solved politically and there has been progress in finding a political solution to the Afghan issue. North and South Korea have joined the United Nations and both sides have made breakthroughs in their prime ministerial talks, during which agreements were signed. Some regional organizations, including ASEAN, have played an effective coordinating role. Of course, there are all kinds of problems in this region. But apparently, Asia-Pacific nations will continue to make common efforts to preserve the good development trend in this region.

[Reporter] What main problems have the changes in the international situation caused developing countries in the past year?

[Qian] The large number of developing countries are facing a grim international situation. Their efforts for development are seriously affected by the incessant deterioration of the international economic environment and the widening of the gap between the South and the North. Under the pretext of "democracy, freedom, and human rights," the West is imposing pressure on developing countries and is interfering in their internal affairs. When providing economic aid, they add more and more harsh conditions. Developing countries have more arduous tasks in safeguarding their independence and sovereignty and in developing their national economies. In the meantime, we should also understand that developing countries are strengthening regional cooperation. The Group of 77 and the nonaligned movement are seeking ways and methods to play a better role in this new situation, to strengthen unity, and to face new challenges together.

[Reporter] As the bipolar pattern has disintegrated, the establishment of a new international order has been put on the agenda of the international community. What is your opinion of this?

[Qian] We are always of the opinion that the five principles of peaceful coexistence should be taken as the foundation for establishing a new international order. All countries, big and small, rich and poor, are equal

members of the international community and have the right to participate in and solve world affairs. Some people want to use one country or a small number of countries to monopolize world affairs. This is divorced from reality, runs counter to historical development, and is harmful to world peace and development. Premier Li Peng visited India recently. In the Sino-Indian joint communique, he further explained the establishment of a new international order, particularly the human rights issue. For developing countries, the right to subsistence and development is the basic human right and bears major significance.

[Reporter] In 1991 China has made commonly acknowledged achievements in diplomacy. In diplomacy, what kind of posture will China take to usher in the coming year of 1992?

[Qian] Looking into 1992, we have both challenges and opportunities. Despite many difficulties and unpredictable factors, we should say that world peace can be safeguarded and that there is hope for common development in different countries. China will continue to pursue an independent and peaceful foreign policy, to develop its relations with countries in the world on the basis of the five principles of peaceful coexistence, and to contribute to defending world peace.

United States & Canada

Spokesman Responds to U.S. Sanctions Move

Views Arms Sales

OW2202092392 Beijing Central People's Radio
Network in Mandarin 0800 GMT 22 Feb 92

[From the "News" program]

[Text] A spokesman of our Ministry of Foreign Affairs today issued a statement on the U.S. Government's announcement of its plan to lift three types of sanctions on China.

The spokesman said: We have taken note of the announcement by the U.S. Government on 21 February of its plan to lift three types of sanctions imposed on China last June. China has always pursued a prudent and responsible policy regarding weapons transfers, and it has observed three principles in this respect: First, the transfers should meet the legitimate self-defense needs of the countries concerned. Second, they should not undermine the peace, security, and stability of relevant regions. Third, arms trade should not be used as an instrument to interfere in the internal affairs of other countries.

After the U.S. Government effectively lifts the above-mentioned three types of sanctions, China will act in accordance with the guidelines and parameters of the existing missile and missile technology control regime in its export of missiles and missile technology. We hope

that the agreement and understanding reached by the Chinese and U.S. foreign ministers on 17 November last year will be implemented in their entirety as soon as possible in order to help improve and develop Sino-U.S. relations.

XINHUA on Sanctions

*OW2202035092 Beijing XINHUA in English
0304 GMT 22 Feb 92*

[Text] Washington, February 21 (XINHUA)—The U.S. Government today lifted a ban on high-tech exports to China which it imposed last June, the U.S. State Department announced.

The U.S. Government's move is considered as "a positive step" towards the improvement of relations between the two countries.

'Reference Material' on Accords

*OW2202163692 Beijing XINHUA Domestic Service
in Chinese 1321 GMT 22 Feb 92*

["Reference material" on agreement and understanding reached by Chinese and U.S. ministers of foreign affairs and the three so-called 'sanctions' which the U.S. Government imposed on China]

[Text] Beijing, 22 February (XINHUA)—1. During U.S. Secretary of State James Baker's visit to China from 15 through 17 November 1991, the agreement and understanding reached between China and the United States is as follows:

The United States expressed support for China to join GATT as a GATT signatory, and for Taiwan to join GATT as an individual tariff region. The U.S. side also maintained that the pattern of the Asia-Pacific Economic Cooperation Council (APEC) can help settle the issue.

On protecting intellectual property, China put forth constructive proposals and urged the United States to stop its "Special 301" investigation on China and remove China from the list of "selected countries." The United States welcomed China's constructive proposals on intellectual property. The two sides agreed to settle this issue through negotiations. (Note: China and the United States reached an agreement on this issue through negotiations on 17 January 1992)

The two sides also exchanged views on "missiles and the missiles technology control regime" [MTCR]. China expressed willingness to observe MTCR guidelines and parameters during the transfer on the condition that the United States lift the three sanctions it imposed on China. The U.S. side expressed willingness to make an effort in this regard.

On the "Treaty of Nuclear Nonproliferation," the Chinese side indicated that the Chinese Government will propose to the National People's Congress [NPC]

Standing Committee to finish the legal procedures of examining this treaty and approving China's joining the treaty by the end of 1991, and that within three months after the NPC Standing Committee finished the said legal procedures, the Chinese Government would finish the formalities of formally joining the treaty. (Note: On 29 December 1991, the NPC Standing Committee approved the decision to join the treaty.)

2. The three sanctions which the U.S. Government imposed on China in June 1991 were: Imposing a moratorium on the export of satellites and satellite parts to China; restricting the export of high-speed computers to China; and banning the export of missile-related products to certain companies in China.

Beijing International Cites Announcement

*OW2302085092 Beijing Radio International
in English to Western North America 0400 GMT
23 Feb 92*

[From the "World News" program]

[Text] A Chinese Foreign Ministry spokesman said China has taken note of the announcement by the U.S. Government of its intention to lift three trade sanctions imposed against China last June.

The spokesman said Saturday [22 February] China has always pursued a prudent and responsible policy toward arms transfers. It has adhered to principles that arms transfers should contribute to legitimate self-defense capabilities of the countries concerned; that they must not undermine regional peace, security, and stability; and that arms trade should not be used as an instrument to interfere in the internal affairs of other countries.

The spokesman said after the U.S. effectively lifts the three sanctions, China will act in accordance with Missile Technology Control Regime guidelines in its export of missiles and missile technology.

The U.S. Government Friday lifted a ban on high-tech exports to China. The U.S. move is considered a positive step toward the improvement of relations between the two countries.

Vice Minister on Sino-U.S. Trade Relations

*HK2202024092 Beijing JINGJI CANKAO BAO
in Chinese 28 Jan 92 p 1*

[Article by JINGJI CANKAO BAO special reporter Li Lu (2621 3406): "A Good Precedent—Vice Minister Wu Yi on Sino-U.S. Economic, Trade Relations"]

[Text] Wu Yi, vice minister of international economic relations and trade, took charge of the talks on protecting intellectual property rights with the United States shortly after she took office. She travelled across the ocean several times, argued strongly on just grounds, and lived up to her mission. Through painstaking talks, an agreement was finally reached, and a "memorandum of

understanding" was signed. A trade war between the two sides was avoided, and favorable conditions were created for the improvement and development of Sino-U.S. economic and trade relations. The Chinese representative's flexible style in adhering to the principles in the talks won appreciation from people, including the U.S. representative. U.S. Trade Representative Carla Hills said after signing the agreement: "We appreciate the Chinese representatives' tenacity and diligence as well as their creativity and hard work." JINGJI CANKAO BAO interviewed Vice Minister Wu Yi, although she was very busy. She talked about the recent trade talks and other issues concerning Sino-U.S. economic and trade relations.

Vice Minister Wu Yi said: Since China and the United States established diplomatic relations and signed the trade agreement in 1979, major developments have been made in Sino-U.S. economic and trade relations. In the year diplomatic relations were established, bilateral trade was only \$2.4 billion; in 1991, the bilateral trade volume increased to \$14.201 billion, or multiplied nearly five times. The United States has become China's third largest trade partner. From 1979 to 1991, there were 1,723 Sino-U.S. joint investment projects, and the amount of investment made by the United States in China, according to the signed agreements, nearly reached \$4.6 billion. The number and amount of U.S. investment projects in China are both larger than those conducted by other countries except the Hong Kong and Macao region.

As known to all, since 1989, the development of Sino-U.S. relations, including economic and trade relations, have encountered many serious difficulties. Although Sino-U.S. relations made progress in some aspects last year, serious artificial obstacles still exist in current Sino-U.S. economic and trade relations. Among other problems, the greatest obstacle comes from the economic sanctions imposed by the United States against China and the negative psychological effect of the review of China's most-favored-nation trade status by the United States on the business circles of both countries.

First, the issue of the most-favored-nation trade status exchanged between China and the United States. As everyone knows, the exchange of the most-favored-nation trade status is the nucleus provision of the Sino-U.S. trade agreement, and is also the cornerstone of Sino-U.S. economic and trade relations. China unconditionally gives the most-favored-nation status to the United States. However, the United States reviews the most-favored-nation offer to China every year according to its domestic law. This is unfair. In the course of the yearly review, some people in the U.S. Congress raised various unjust accusations against China and continued to set artificial obstacles to relations with China. Once the U.S. side rescinds China's most-favored-nation status or attaches political conditions to its extension, this will indicate that the United States unilaterally discards the Sino-U.S. trade agreement. This will result in a serious setback in the two countries'

economic and trade relations and across-the-board retrogression in Sino-U.S. relations. We hope that some U.S. Congressmen will proceed from the general interests of the two countries' relations and also from the interests of the United States to support President Bush's decision to extend China's most-favored-nation status without strings attached. On this issue, we shall strive for the best and also prepare for the worst.

Second, the issue of the U.S. announcement on carrying out two "301" investigations against China. The U.S. Trade Representative Office disregarded the fact that the Chinese Government has made great efforts and has promised to open its markets and protect intellectual property rights, and, in 1991, decided to carry out two "301" investigations against China (that is, unilaterally investigating and retaliating against the "unfair trade practice" of the countries that "restrain the entrance of the United States to their markets and do not provide protection for the U.S. intellectual property rights" according to the "301" Section of the U.S. Comprehensive Trade Act and the "Super 301" article). We have expressed our strong discontent. On the issue of market entrance, we have held two rounds of talks with the United States; have answered the relevant questions raised by the U.S. side; have made an important, positive, and sincere promise on the settlement of the relevant issues; and will continue to make further efforts in this regard. As for the protection of intellectual property rights, we have fully made clear our country's principled position in the 13 rounds of official talks, and have made the maximum degree of concessions and promises. Between 10 and 16 January this year, the Chinese and U.S. delegations held another round of official consultations in Washington, reached agreement, and signed the "memorandum of understanding." The memorandum stipulates that the U.S. Government will terminate its investigations against China and will no longer name China a priority target of the investigations. The proper settlement of the intellectual property issue between China and the United States will be conducive to the further development of the two countries' trade and economic-technological cooperation, and will create a benign atmosphere and condition for the improvement and development of the two countries' economic and trade relations.

This shows that the disputes between the two countries can completely be solved through consultation on an equal footing and in the form of mutual understanding and mutual accommodation. The adoption of other unwise measures will not help the settlement of the problems, but will only make the problems more complicated. The two sides should continue to adopt a positive way to solve other remaining trade problems as soon as possible through equal and friendly consultation.

She also mentioned the issues of the so-called exportation of forced labor products from China to the United States and the trade deficit incurred by the U.S. side, which were often mentioned by the U.S. side. She said: We have made clear the Chinese Government's policy

and position many times to the U.S. side. That is, we prohibit the exportation of forced labor products. At the same time, the U.S. side should also prohibit the relevant enterprises from importing such products according to stipulations of the law concerned. It is unfair to merely put blame on the Chinese side. The so-called trade deficit incurred by the U.S. side was mainly caused by the U.S. statistical method, which includes the Chinese commodities that were sold to Hong Kong and were then reexported to the United States in the Chinese exports to the United States (however, the Chinese customs took the American goods reexported by Hong Kong to China as Hong Kong's exports to China). In fact, as we had sold the commodities to the Hong Kong businessmen, the ownership was changed. We would not be able to decide to what places the Hong Kong buyers reexported these goods. Moreover, most of the Chinese products reexported by Hong Kong to the United States were processed with imported raw materials. China could earn a very limited amount of foreign exchange (in general, the average processing fees accounted for merely 7-8 percent of the products' total value). Therefore, it is unreasonable to include the value of Hong Kong's reexported goods in China's exports to the United States. Of course, due to our country's domestic economic adjustments, the economic sanctions imposed by some developed countries against our country, and some other reasons, we indeed decreased imports from some countries (including some developed countries). China has paid close attention to the decrease in imports from some developed countries, including the United States, and has adopted such measures as dispatching purchase delegations to these countries and lowering the tariff rates for some commodities. On the other hand, the U.S. side should also adopt corresponding measures to improve the atmosphere of economic and trade cooperation between the two sides, lift the economic sanctions against China, and create more favorable conditions for the expansion of cooperation between American enterprises and China.

Vice Minister Wu firmly believes that as long as both sides make joint efforts, the obstacles to the development of Sino-U.S. economic and trade relations can be overcome, and the development prospects will be broad and bright. The settlement of the issue of protecting intellectual property rights is a very good example.

Decline in U.S. Research, Development Spending

*OW2202041792 Beijing XINHUA in English
0333 GMT 22 Feb 92*

[Text] Washington, February 21 (XINHUA)—The amounts of spending on research and development by the U.S. federal government and private industry have begun to fall for the first time since the 1970's, according to a latest report released by the U.S. National Science Board.

The report said that the overall American spending on research by the federal government, industry, universities and private patrons slowed during the second half of

the 1980's and began to fall in 1989, ending an era of extraordinary growth, the 407-page report entitled "Science and Engineering Indicators" said.

According to the report, after a spending spree that began in 1975 and climaxed in 1989 with an annual U.S. national expenditure for research and development of 154.31 billion dollars, the amount for 1990 fell to 151.57 billion dollars. The figures are in constant 1991 dollars to cancel the effects of inflation.

Meanwhile, annual research spending by American industry fell from a peak in 1989 of 78.83 billion dollars to 77.84 billion dollars in 1990, making it the biggest drop in three decades. Preliminary data put the total for 1991 at about the same as 1990.

Even before the decline, the report said, the rate of growth had fallen sharply. Between 1980 and 1985, the rate of annual growth for industrial research was 6.9 percent in inflation-adjusted dollars. Between 1985 and 1990, it fell to 1.2 percent.

The report also noted that the American share of the global market for high-technology goods had fallen from 40 percent in 1980 to 37 percent in 1988.

In recent decades, the only other drop in overall American science spending occurred in the early 1970's as the United States reduced space research after the Apollo moon landings and cut back on military research amid an early thaw in the cold war.

The National Science Board that prepared the recent report is the policy-making arm of the National Science Foundation, a federal agency that supports science research and is responsible for monitoring the nation's overall science health.

The biennial report is submitted to the President, who in turn provides it to Congress.

Defense Cuts To Cause Loss of Jobs

*OW2102232292 Beijing XINHUA in English
2230 GMT 21 Feb 92*

[Text] Washington, February 21 (XINHUA)—Deep cuts in U.S. military expenditure will cause a substantial loss of defense-related jobs and the government should improve its system of aiding the displaced workers, the Office of Technology Assessment (OTA) urged today.

According to OTA, a research arm of the U.S. Congress, the number of defense workers will fall from six million in 1991 to 3.5 million if the military budget decreases 12 billion dollars annually in the next decade.

The jobs include those in the defense industry and civilian and uniformed positions in the armed forces.

The Bush administration has proposed a reduction of 50 billion dollars over the next five years, while Democrats have called for deeper cuts, with some proposing a 210 billion dollar reduction in seven years.

In a study released today, OTA noted that California, Texas, Virginia, New York, Florida, Massachusetts, Ohio and Pennsylvania will be hit hardest by the Pentagon budget cuts because about one-half of the nation's defense jobs are in those states.

OTA also said that defense jobs made up only two-tenths of a percent of the 119 million jobs in the United States in 1991 and that although the jobs would disappear, many employees might find work elsewhere.

It recommended that federal programs be overhauled to help displaced workers and local communities as well as the companies in the transition from military to commercial production.

Article Views U.S. Economic 'Problems'

HK2202034892 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 6-7, 17 Feb 92 pp 46-47

["Special dispatch" by Wei Guoqiang (7614 0948 1730):
"What 'Trouble' Does United States Encounter?—
Superficial Analysis of Bush's State of Union Message"]

[Text] Washington—On the night of 28 January, U.S. President Bush read his 1992 State of the Union Message to senators and representatives in Congress. Logically speaking, a state of the union message should devote many pages to U.S. views on the present international situation and future U.S. foreign policy. But unlike previous practice, it devoted almost three-fourths of the total pages to U.S. domestic problems. In this document, President Bush admits that the United States is encountering many "troubles," that it is now in a "difficult period," and, therefore, that "more attention should be paid to domestic affairs" in the future.

What "troubles" is the United States encountering, after all? Viewed from his State of the Union Message, the "first is economic problems." Apart from this, there are all sorts of structural and social problems.

It has been 18 months since the emergence of U.S. economic depression in July 1990. This is the longest economic depression in the United States since the 1930's. The ability to recover is lacking. According to an estimate, the economy will not recover until the second quarter of this year. This economic depression has made it hard for many U.S. enterprises to continue operations. A large number of employees have been dismissed and some enterprises have gone bankrupt, thereby causing an increase in the unemployment rate. According to statistics announced by the U.S. Department of Labor, the unemployment rate rose from 6.8 percent in November last year to 7.1 percent in January this year, the total unemployment number to stand at 8.93 million, a net increase of 2.34 million over the unemployment figure in May 1990. Adding the number of people who do temporary jobs for a living and unregistered unemployed workers, the total unemployment figure may be over 17 million.

Apart from this serious unemployment problem, U.S. financial and trade deficits remain high and hamper economic development. In the 1992 fiscal year, the federal budget deficit is predicted at a record high: of \$399.4 billion, far exceeding the deficit in fiscal 1991 by \$268.7 billion. Over the last few years, the United States has accumulated national debts of over \$3 trillion; enterprises' and personal debts have amounted to \$3.4 trillion; each consumer has incurred a debt of \$13,000 on the average. The total amount of these three debts has exceeded the 1991 GNP.

On foreign trade and investments, the United States has remained the biggest debtor nation in the world since the mid-1980's. In 1991, the U.S. trade deficit was estimated at about \$100 billion.

Due to uncollectible debts and imperfect management, U.S. banks have closed down one after another. Now even the bank insurance company—the U.S. Federal Deposits Insurance Company—has to rely on government loans for its survival, because its financial resources have withered.

U.S. medical equipment ranks first in the world. Its expenditure for medical care accounts for 13 percent of the GNP. But the United States is the only industrial country which does not provide medical insurance for its civilians. Therefore, the Americans have to spend a lot of money on medical insurance. But because there is a big gap between the rich and the poor, expensive medical insurance premiums have made it impossible for tens of millions of poor people to enjoy any medical care or service.

In terms of the number of people who have received a university education, the United States ranks first in the world. But education quality has worsened over the last few years, scientific and technological development lacks successors, and there are more functional illiterates. This has affected the competitiveness of U.S. products.

Prolonged diseases in the United States, such as criminal problems, drug addiction, racial discrimination, looking down on women, homelessness, and AIDS, are all the more seriously corrupting U.S. society.

These problems suggest that the U.S. comprehensive national strength is weakening. This is incompatible with its "great ambition" to set up a "new world order" with the United States as the center, an ambition it cherished after the end of the Gulf war, Soviet disintegration, and the change in the world pattern. As a result of the disappearance of the former Soviet military threat, some Western nations rely less on the United States politically and militarily. NATO countries have openly proposed setting up their own defense forces; Germany has totally ignored U.S. instructions in handling the Yugoslav civil war; French President Mitterrand openly criticized the United States by saying that its proposal for holding a world coordinating meeting on aiding the Soviet Union was an "unnecessary move." Viewed from the economic angle, the formation of a unified EC market and the

improvement of Japan's economic strength have further deepened their economic and trade frictions with the United States.

During the trade talks on the Uruguay Round, West European nations have resisted U.S. pressure and refused to agree with a large-scale reduction of subsidies for agricultural products and trade. Recently, Japan openly accused the United States of "shifting the blame" onto Japan on the question of Japanese-U.S. trade imbalance, apart from criticizing U.S. workers and managerial personnel for being bad in quality.

In the face of these "troubles," the Bush administration feels that a few slogans will not solve any problem. Therefore, his State of the Union Message sets a short-term plan to get rid of the economic depression, and a long-term plan to improve the comprehensive national strength. In the short-term plan, the Bush administration proposes four detailed measures: 1) Within 90 days, government departments should not formulate regulations regarding the hampered economic growth; in the meantime, all regulations will be examined and unsuitable regulations will be stopped from being implemented. 2) Government departments will speed up expenditures benefiting economic growth. 3) The federal taxation program should be changed. 4) Interest rates will be further reduced, and the monetary policy should be used to stimulate investments.

The U.S. President also asked Congress to pass a bill on providing tax loans for those who buy houses for the first time, on reducing capital increment taxes, and on approving his federal unemployment welfare program before 20 March so that over half of the unemployed workers can have subsidies to maintain their living.

The long-term plan set by the State of the Union Message comprises nine points:

Pursuing the U.S. free trade policy and making efforts to open markets in different parts of the world; developing education and reforming schools; encouraging research and development plans, the government will allocate \$76 billion for the exploration of new technology this year; reducing crime and drug addiction; providing funds for a development program for low wage earners; reforming the private health care system to reduce people's expenditures for medical protection; controlling federal budget deficits, setting maximum limits for some government expenditures, and freezing the total number of federal government employees; reforming bank management, reforming regulations on civil lawsuits, and introducing a national energy strategic plan; forming urban family committees to solve social problems arising from family separation, and at the same time, the government will help families reduce their burdens in raising and educating their children and in buying houses.

The State of the Union Message also points out: In the past, the arms race with the Soviet Union had increased the burden on taxpayers. Now the situation has changed. The government plans to reduce military expenditures

by \$50 billion in five years so that military expenditure in 1997 will be 30 percent lower than that in 1989.

Bush said that U.S. difficulties are "temporary." As long as his proposals are put into effect, the United States will get rid of its economic depression, "leave its difficulties behind," and return to the road of economic growth.

However, many of U.S. difficulties are of a structural nature. The application of insignificant measures will not solve any problem. As some economists pointed out, although Bush's plan can benefit some voters, in the long run, it will not stimulate economic growth. Therefore, it is still not known to what degree the U.S. Government's long-term plan can prevent a further decline in the U.S. comprehensive national strength.

In addition, this year is a U.S. presidential election year. The proposals raised by Bush in the State of the Union Message are conspicuously characterized by his campaign program. Therefore, even if these proposals are beneficial to economic growth, we have to wait and see whether the Congress, where the Democratic Party occupies the majority of seats, will approve them. However, the Bush administration's strategy is very clear. If these proposals, which will temporarily benefit voters, are hampered by the Democratic Party, the Republican Party will blame the Democrats for the continuation of economic depression in the second half of this year, thus reducing the latter to an unfavorable electoral position. Of course, the Democratic Party will not allow itself "to be seized without putting up a fight." Now the two parties are busily engaged in a debate over their programs on how to reduce taxes and over problems involving voters' personal interests.

The world is changing, as is the United States. The United States is shifting some of its attention to solving domestic problems. This is a part of its general strategy to set up a "new world order" with the United States as the center. But neither the change in the world pattern nor its formation can be decided by human will. Even if the United States can solve its domestic "troubles," it will not necessarily be able to fulfill its strategic target.

Article Says Sino-U.S. Relations 'Improve'

HK2202071292 Hong Kong WEN WEI PO
in Chinese 22 Feb p 2

["Special feature" by Li Weiguo (2621 5898 0948) of Institute of International Issues: "Sino-U.S. Relations Improve as a Whole—On Eve of Curtain Rise of Debate on MFN Status"]

[Text] Beijing, 21 Feb (WEN WEI PO)—The issue concerning China's Most Favored Nation (MFN) trading status, which appeared in recent years as a "repertoire," is to be "staged" again in Washington soon. In the last two years, though the issue created a great sensation, which would last several months, the MFN status was renewed unconditionally. The United States will conduct general elections this year, and the MFN issue will

be linked to the elections. When the U.S. Senate resumes session in late February, it will debate the issue and put it to a vote, thus raising the curtain on the debate on China's MFN status for 1992.

Bush Cleverly Contains Congress

Looking back on the controversies over the MFN issue, we will realize that the debate largely followed this formula: The debate first centered on whether China's MFN status should be renewed. When President Bush made known his position in favor of renewal, the debate would focus on whether the status should be renewed conditionally or unconditionally. When President Bush firmly supported unconditional renewal, some people in Congress would favor conditional renewal and they almost made protection of human rights a major condition. After repeated debates, the House of Representatives and the Senate would approve conditional renewal by a simple majority vote, which would be vetoed by Bush. Finally, since the Senate was unable to reject Bush's decision with an accumulated two-thirds majority vote, the MFN status was renewed unconditionally. Clearly Bush tactfully used the regulations to contain Congress. Otherwise, Sino-U.S. relations would suffer. Of course, China's principled concessions and the lobbying by the industrial and commercial circles in Hong Kong and Macao and by a considerable number of American businessmen also played a positive part.

Since China and the United States established ties in 1972, the two sides have taken an identical or similar stand on a number of international issues despite the fact they did not see eye to eye on every issue. On the whole, the two sides have been making great efforts to add to their achievements in this regard and curb the negative influence. As a result, the two sides made great progress in promoting their relations in spite of twists and turns. Since the United States granted China MFN status in 1980, the annual examination has not discovered anything abnormal. Since the 1989 Beijing incident, the United States has taken the lead in imposing sanctions against China. It has tried its best to exert pressure on China in every aspect, including the MFN status. This is why the bilateral relations have experienced difficulties over the MFN issue. However, we should assess the sensation over the MFN issue in recent years against the change in the international situation and political pattern as well as struggles between American parties.

Generally speaking, the MFN issue gives expression to two tendencies of U.S. domestic and foreign policies: One is to change state-to-state relations into an ideological issue and the other is to turn economic relations into a political issue. Therefore, the MFN issue will not be settled before China resumes its status as a signatory state to the GATT. Until then, the annual deliberation will not proceed smoothly.

Sanctions Against China Were in Fact Suspended

Naturally, this does not mean that we can do nothing about it now and that we should let some people damage

Sino-U.S. relations as they please. We should be aware that the MFN status is not only beneficial to China but also of importance to stability and prosperity in Hong Kong. We should not take a one-sided approach to the issue. Therefore, the two sides should take measures to settle the problems concerning Sino-U.S. relations. In fact, since the second half of last year, the two sides have made big progress in promoting their relations.

First, Secretary of State Baker's visit to China in November last year and the meeting between President Bush and Premier Li Peng in New York on 31 January this year indicated that the two countries have resumed high-ranking contacts. The United States has in fact suspended its sanctions against China and Sino-U.S. relations have taken a great turn for the better.

Second, through negotiation, a Sino-U.S. accord on protection of intellectual property was reached on 16 January this year. Based on the accord, U.S. intellectual property will come under legal protection in China. In the wake of making some necessary revisions of patent rights and copyright laws, China will initial the Berne Copyright Pact before 15 October this year and the Geneva Pact on Audio and Video Recordings before 1 June 1993. The said accord has not only succeeded in avoiding a trade war, but also set a precedent, and laid a sound foundation for settlement of existing problems in Sino-U.S. relations through negotiation on an equal basis, with mutual understanding and concession. This being the case, the beginning of 1992 can be said to be a good sign for Sino-U.S. relations.

Third, China has proclaimed its wish to initial the "Treaty on Nuclear Nonproliferation," while making a commitment on observing the regulations and parameters of "the system of control over guided missiles and their technology" initialed in 1978 as an exchange for U.S. commitment on lifting the restrictions since last June on two companies exporting high technology to China. In addition, the UN Security Council's five permanent members adopted the "Statement on Arms Transfer and Nonproliferation" in Paris last July, and the "Criteria for Conventional Arms Transfer" in London last October, while planning to discuss the issue of "self-restraint" in conventional arms transfer in the United States this year. All these are efforts conducive to guarding against the proliferation of nuclear arms, large-scale annihilating arms, and conventional arms, fall in line with Sino-U.S. interests, and are great contributions to world security.

China and the United States Have Many Interests To Share

And fourth, although the United States is the sole remaining superpower, it is relatively declining, compared with the EEC and Japan. U.S. strength is limited, while facing many problems, especially many economic difficulties at home. This being the case, the United States hopes to maintain normal Sino-U.S. relations. Many statesmen, including U.S. President Bush, as well

as most congressmen who are for extending the MFN status with conditions, hold this position. Furthermore, China and the United States have common interests on some major world issues, especially in the Asia-Pacific region. The United States still has a need to rely on China to check Japan, while China continues to play an important role in maintaining stability and peace on the Korean peninsula, and in settling the Cambodian issue. In addition, China's stability is favorable to the United States; otherwise, should turmoil take place in China, its neighbors would find no peace of mind, neither would it fall in line with U.S. interests.

In the Course of Recovery and Improvement

In a nutshell, Sino-U.S. relations are in the course of recovery and improvement. As long as the two sides adopt positive ways to negotiate on the basis of equality and friendliness, trade issues between China and the United States can be totally resolved; should unreasonable ways be adopted, with excessively high and immature demands set forth, that will not help resolve problems, but complicate them while casting a shadow over Sino-U.S. relations.

CIA To Release Files on JFK Assassination

OW2202001992 Beijing XINHUA in English
2359 GMT 21 Feb 92

[Text] Washington, February 21 (XINHUA)—CIA Director Robert Gates said today that his agency is willing to open secret files on the assassination of former U.S. President John F. Kennedy, if Congress and the Administration decide to do so.

He said his secret agency will not "lag in any government effort to review and declassify these documents."

Gates's comments came amid growing demand for the release of thousands of sealed documents relating to the assassination of Kennedy in 1963.

Though there has been a conclusion on the assassination on Kennedy's death, Oliver Stone's new movie on the assassination cast new doubts on the reasons of the killing and refueled a heated [as received] public debate on it.

The film suggests that Kennedy was the victim of a shadowy government plot, primarily by Pentagon and CIA.

Gates said his agency has been kept from any action on its own to open the JFK files by privacy regulations and the fact that many of the documents it holds belong to other agencies.

All agency documents about the Kennedy assassination would be transferred to a re-study unit with a "bias toward declassification," he said.

Violence Rises Against Asian Americans

OW2202132592 Beijing XINHUA in English
1312 GMT 22 Feb 92

[Text] Washington, February 22 (XINHUA)—Incidents of violence against Asian Americans rose sharply in the United States in the past few years, making them the fourth largest group of racism victims, according to a study report released here Friday.

The study, "In Pursuit of Justice," was conducted by the National Anti-Asian Violence Task Force of the Organization of Chinese Americans.

Andrew Chen, chair of the task force, said in the findings that incidents of anti-Asian violence estimatedly increased several times in the past decade.

In Pennsylvania, where he lives, the figure jumped up 23 percent last year, he added.

Chen said national statistics on this problem are not available because it is ignored by the authorities.

"In many communities, anti-Asian feelings are expressed by vandalism, harassment, intimidation and violence," the report said.

Over the years, cities with large Asian American populations such as San Francisco and New York City have had many cases involving homicide, robberies and assaults against Asian Americans, Chen said.

"Other cities and municipalities around the country have had similar incidents, some involving the Ku Klux Klan and 'skinheads' who have used anti-Asian racial epithets, stronghand tactics and death threats."

Citing a case in Philadelphia where a Chinese American was beaten to death by a white, Chen said police even took the victim's family, including a 67-year-old man and a two-year-old child, to the police headquarters and detained them for four hours while the victim was dying in the hospital.

In another case, he said, a white man killed a Chinese American in North Carolina. In addition to convicting him of murder and assault, a grand jury found that the white man had previously conspired and agreed to "injure, oppress, threaten and intimidate" seven Asian Americans.

Facing increasing anti-Asian violence, the Organization of Chinese Americans proposed in its report some guidelines for responses to incidents of violence, including reporting to local police and getting community organized to support the victim or the victim's families.

Central Eurasia

Yeltsin Urges CIS Economic Cooperation

OW2402054492 Beijing XINHUA in English
0127 GMT 24 Feb 92

[Text] Moscow, February 23 (XINHUA)—Russian President Boris Yeltsin said here today the current economic situation demanded close cooperation between members of the Commonwealth of Independent States (CIS).

Yeltsin told reporters that mines, metallurgical plants and electrical industry facilities were all halting production.

"Everybody understands that the collapse of economic links would lead to chaos," he said.

Yeltsin emphasized that the historical links between Russia and Ukraine could not be cut off.

The economic integration process between the two sovereign nations had now begun, he said.

Yeltsin said he held almost daily telephone conversations with the Ukrainian president or prime minister to discuss controversial problems between Russia and Ukraine.

Mutually beneficial economic relations would be established between the two nations on the basis of mutual respect, he said.

Border Trade Fair Secures Deals With CIS

OW2102143592 Beijing XINHUA Domestic Service
in Chinese 0844 GMT 21 Feb 92

[By reporters Li Chunlei (2621 2504 7191) and Wu Xiaodong (0702 2556 2639)]

[Text] Harbin, 21 February (XINHUA)—A lantern festival border trade fair closed yesterday in Heilongjiang's Suifenhe, a border port city of China. Economic and trade agreements with a total amount of 237 million Swiss francs were signed during three days of the fair.

A trade fair has been held in Suifenhe during the Lantern Festival each year since border trade between China and the Soviet Union resumed. Taking part in this year's trade fair were 533 guests from six nations of the Commonwealth of Independent States [CIS]. The number of business deals made at this year's fair was the highest ever—more than twice last year's amount. During the fair, agreements on 27 economic and technological cooperation projects were signed, including five joint ventures, 12 contract projects, seven agricultural cooperation projects, and three labor export projects. Trade agreements of spot exchange worth a total of \$10.21 million were reached, which is nearly the total for the previous year. China will import about 130 kinds of commodities, mainly steel products and chemical fertilizers; however, the amounts of deals on nonferrous metals, cement, timbers, aquatic products, electrical

machinery, chemicals, and farm chemicals also have increased. At the same time, China will export 363 kinds of commodities, among which light and textile industrial products, animal products, and machinery are most welcomed by CIS customers. A grand fireworks party, song and dance party, and lantern party were also held during the trade fair.

Russia 'Guarantees' Honecker's Hospitalization

OW2202042592 Beijing XINHUA in English
0314 GMT 22 Feb 92

[Text] Santiago, February 21 (XINHUA)—The Russian Government has decided to provide all necessary security guarantees to ensure the hospitalization of Erich Honecker, former leader of the German Democratic Republic (GDR).

This was announced here today by Chile's acting Foreign Minister Edmundo Vargas.

The Russian Government's decision has been transmitted to all security organs in Russia in accordance with Russian President Boris Yeltsin's instructions, Edmundo said.

These guarantees are applicable for Honecker's removal from the Chilean Embassy to a Moscow hospital, his medical treatment in the hospital and his return to Chile's diplomatic mission, he noted.

Chilean Ambassador to Russia, Clodomiro Almeyda, has received a diplomatic note on the Russian Government's decision, Edmundo said.

Honecker, who has been staying in the Chilean Embassy as a "guest" since last December, will be hospitalized in a couple of days.

The former GDR leader was pleased to learn of Russia's decision, said Edmundo.

Asked if the Russian Government's decision means the exclusion of the possibility of Honecker's trip to Chile, Edmundo said that "what we are concerned about is Mr. Honecker's health."

The acting foreign minister reaffirmed that it is up to the Russian Federal Government rather than the Chilean Government to decide if the ailing Honecker will come to Chile.

Russia Trades Electricity for Goods

OW2402060892 Beijing XINHUA Domestic Service
in Chinese 2106 GMT 23 Feb 92

[By reporter Zhou Qu (0719 4292)]

[Text] Harbi, 24 February (XINHUA)—Along thousands of li of the icebound Sino-Russian border demarcated by the Heilongjiang River, an extra-high-tension transmission line stretches from Russia along the northern part toward the southern part of the river. This

river-spanning transmission line hails from Blagovescensk on the Russian side and enters China about seven km into the western suburbs of Heihe City in Heilonglong. This is the first time Russia has sold electricity to China.

It is reported that under this cooperative border trade, China will pay Russia for the electricity supply mainly with light industrial products.

Li Peng Meets Kazakhstan Premier

*OW2402142192 Beijing XINHUA in English
1352 GMT 24 Feb 92*

[Text] Beijing, February 24 (XINHUA)—Chinese Premier Li Peng reaffirmed today that the Chinese Government desires to develop friendly cooperative relations with Kazakhstan based on the five principles of peaceful co-existence.

Li made the remark during a meeting at the Great Hall of the People with visiting Kazakhstan Prime Minister Sergey Tereshchenko and his party.

According to sources from the Chinese Foreign Ministry, Li said that China and Kazakhstan, which have long been friendly neighbors, share a common border of more than 1,700 kilometers.

Since ancient times, according to Li, the people of the two countries have lived in harmony. He noted that even though great changes have taken place in the world, he nonetheless believes that such changes will not affect the friendship between the two peoples.

On behalf of the Chinese Government and in his own name, Li warmly welcomed the Kazakhstan premier and his party to China.

He said the visit by Tereshchenko, the first premier of the newly independent country's premier, fully demonstrates the friendly feelings the Government of Kazakhstan and its people have for the Chinese people.

Li described the visit as a significant event in the history of bilateral relations, and expressed the belief that it will further promote the development of friendly relations.

Tereshchenko thanked the Chinese premier for the invitation to visit China, and expressed his gratitude for the warm welcome and hospitality of the Chinese Government and people.

He conveyed the best regards of President N. Nazarbayev, and said that the president was deeply impressed with China during his 1991 visit.

Scenko expressed hope the two countries will continue to develop friendly relations which are based on mutual benefit. "Yesterday when we departed Alma-Ata the weather was fine, as is today's weather in Beijing," said Tereshchenko, adding that the fine weather indicates that friendly relations between the two countries will undergo further development.

Chinese Vice-Premier Wu Xueqian attended the meeting.

Prior to the meeting, Li presided over a welcoming ceremony during which Tereshchenko reviewed a guard of honor comprised of the three services of the Chinese People's Liberation Army.

The Chinese premier later hosted a banquet in honor of Tereshchenko and his party, who arrived earlier today on a five-day visit.

Kazakhstan Deputy Minister Meets Envoy

*OW2202183792 Beijing XINHUA Domestic Service
in Chinese 2126 GMT 21 Feb 92*

[Text] Alma-Ata, 21 February (XINHUA)—Salim Kurmanguren [name as received], first deputy foreign minister of Kazakhstan, had a meeting today with Li Hui [2621 6540], charge d'affaires ad interim of the Chinese Embassy in Kazakhstan.

Li Hui presented to Kurmanguren his certificate of appointment from Chinese Foreign Affairs Minister Qian Qichen. In their conversations, the two sides unanimously indicated that the People's Republic of China and the Kazakhstan Republic are great neighbors, and the development of their good neighborly and friendly cooperation on the basis of the Five Principles of Peaceful Coexistence is in line with the fundamental interests and wishes of the two countries and the two peoples.

The two sides expressed the belief that, as result of the two countries' joint efforts, relations between the two countries certainly can develop steadily and soundly.

Li Hui and members of his entourage arrived in Alma-Ata, capital of Kazakhstan, on 19 February.

Belarus To Establish Armed Forces

*OW2202031092 Beijing XINHUA in English
0121 GMT 22 Feb 92*

[Text] Moscow, February 21 (XINHUA)—Belarus will spend two years on setting up its own armed forces, chairman of the Belarussian Parliament Stanislav Shushkevich said today.

He made the remarks during his meeting with officers of strategic forces in Lida, Belarus.

Shashkevich said nuclear weapons will be withdrawn from his country and the army in the Belarussian military district will be reduced within two years.

He said the decrease will be implemented gradually and the rights of not one soldier will be harmed.

On February 14 at the summit of the Commonwealth of Independent States (CIS) in Minsk, Belarus signed the agreement on unified command of CIS conventional armed forces in the two-year transition period.

Northeast Asia

Ambassador to Japan on Sino-Japan Relations

Urges 'New,' 'Bigger' Development

HK2202070992 Beijing ZHONGGUO XINWEN SHE
in Chinese 1007 GMT 21 Feb 92

[By reporter Wang Jian (3769 0256): "Yang Zhenya Says Developing Sino-Japanese Relations Is One of China's Basic State Policies"]

[Text] Tokyo, 21 Feb (ZHONGGUO XINWEN SHE)—While speaking on invitation at the Japanese Journalists' Club today, Yang Zhenya, Chinese ambassador to Japan, said that the Chinese Government takes the development of relations with Japan seriously, and added that this is one of China's unshakeable basic state policies, despite changes in the international situation.

More than 100 Japanese and foreign reporters were present while he made the speech. Yang Zhenya pointed out: China and Japan are close neighbors as well as two important countries in Asia. Sino-Japanese relations involve not only the interests of the people of the two countries' but also peace and stability in the Asia-Pacific region and even in the rest of the world. Particularly at present, when the international situation is turbulent, the stability of Sino-Japanese relations is an indispensable and important factor for stability in the Asia-Pacific region.

Yang Zhenya said: This year is the 20th anniversary of the establishment of Sino-Japanese diplomatic relations. It is a year worthy of commemoration and celebration. General Secretary Jiang Zemin will visit Japan during the Japanese cherry blossom season. Both sides are busy preparing for the Japanese emperor's and empress's visit to China.

Yang Zhenya also briefed them on major activities carried out by officials and civilians on both sides in preparation for the 20th anniversary of the normalization of the two countries' diplomatic relations. These activities include an "exhibition on Zhou Enlai," an "exhibition on Guo Moruo," an "exhibition on Xinjiang cultural relics," and Japanese ballet and opera troupes will visit China.

On the development of Sino-Japanese relations this year, Yang Zhenya said: In the course of strengthening the relations between the two governments, there is a need to tap their potential and develop their economic, trade, scientific, and technological cooperation. Last year saw the fastest growth in investments in China from foreign economic circles since reform and opening up. Japanese investments also increased. We hope that this positive trend will continue with new and bigger development and that breakthroughs will be made in technological transfer and in widening the scope of research.

Beijing International Report

OW2202172292 Beijing Radio Beijing in Mandarin
to Asia 0900 GMT 22 Feb 92

[From the "News" program]

[Text] At a special lecture for the press in Tokyo on Sino-Japanese relations and other issues, Chinese Ambassador to Japan Yang Zhenya pointed out yesterday that China and Japan certainly can coexist forever in a friendly manner.

Ambassador Yang Zhenya said: Last year, Sino-Japanese relations fully resumed and developed; the number of Japanese visitors and tourists visiting China reached 640,000; and the two countries' total trade volume reached a record \$22.8 billion. This year marks the 20th anniversary of the normalization of Sino-Japanese relations, and General Secretary Jiang Zemin will visit Japan at a time when Japan's cherry blossoms will be in full bloom. The two countries' governments and nongovernment organizations are making preparations for all kinds of colorful celebrations.

He said: Today, when the world is beset with upheavals, stable Sino-Japanese relations can be termed indispensable for Asia-Pacific stability. While strengthening political ties, China and Japan should continue to develop their economic, trade, and scientific-technological cooperation, which is conducive to the two countries' prosperity.

On the issue of the Japanese emperor's visit to China, Ambassador Yang said: China and Japan are making positive efforts to materialize the emperor's and the empress' trip to China this fall. He expressed the belief that, as result of the joint efforts exerted by generations of people, China and Japan certainly coexist forever in a friendly manner and contribute their respective parts to world peace and mankind's progress.

Report Sees Korean 'Confidence' in Socialism

HK2402014692 Beijing RENMIN RIBAO in Chinese
12 Feb 92 p 6

[Report: "Korean People Have Full Confidence in Future of Socialism"]

[Text] The 4 February edition of North Korea's NODONG SINMUN carried a speech delivered by Kim Chong-il, member of the Political Bureau Standing Committee of the Workers Party of Korea [WPK] Central Committee and member of the WPK Central Committee Secretariat, in a recent meeting of leading cadres of the WPK Central Committee. The speech was entitled "The Historical Lessons Drawn From Socialist Construction and Our Party's General Line."

With regard to the historical lessons drawn from socialist construction, Kim Chong-il said: After the establishment of the socialist system, the party, whose task is to lead the building of socialism, should formulate a correct party

line and policies in accordance with the new needs of socialism to facilitate its fruitful construction.

According to Kim Chong-il, the ultimate principle which must be consistently upheld throughout socialist construction is to wholeheartedly defend the masses' interests and materialize their demand for autonomy. For this reason, it is necessary to strengthen the working class's party in ideology and organization work, unswervingly safeguard the party's leadership of socialist revolution as well as construction, persistently improve the functions of the socialist regime, maintain and develop the socialist system of ownership, and resolutely struggle against imperialism.

Kim Chong-il also talked about the WPK's general line that should be pursued in Korea's socialist and communist construction, which is to strengthen the people's regime through the persistent improvement of its functions and comprehensive revolutions in the ideological, technological, and cultural spheres.

Kim Chong-il said: The masses are the masters of the revolution under all circumstances. If the cadres are not equipped with the revolutionary concept of the masses and end up defying the masses, then phenomena such as abusing one's authority and committing bureaucratic practices will arise. Moreover, cadres will not be able to recognize the masses' creative power and will be bogged down in defeatism in the sense that they will always succumb to difficulties.

Finally, Kim Chong-il stressed the steadfast confidence of the Korean people in the prospect and rightfulness of the socialist undertaking chosen by themselves. It was declared that the Korean people would thoroughly implement the WPK's general line and complete the socialist and communist undertaking no matter how complicated the situation becomes or what trials they will face in the days to come.

'Analysis' Views Implementation of Korean Accord

OW2102132092 Beijing XINHUA in English
1221 GMT 21 Feb 92

[News Analysis by Zhang Jinfang: "Historic Accord Ushers in Peaceful Era for Korea"]

[Text] Pyongyang, February 20 (XINHUA)—The two sides of Korea were committed to end confrontation, seek reconciliation, and work together for national reunification when a key accord on rapprochement came into force on February 19.

The agreement on reconciliation, non-aggression, and exchanges and cooperation was concluded after 47 years of hostilities, including 20 years of fruitless off-and-on dialogue. It was only natural for the people in both parts to be jubilant over it.

The division in 1945 of Korea and the subsequent confrontation had brought great sufferings and distresses

to the entire Korean people. Countless human and material resources had been wasted. Mutual distrust and mutual vigilance against each other had damaged stability. Now, with the two sides ceasing the confrontation and seeking reconciliation as provided for in the agreement, the prospect for peace in the Korean Peninsula is certainly bright.

The coming into force of the accord is the first step toward peace in the peninsula. The two sides are facing the arduous and complex task of implementing the agreement. In the committees to be set up, they have to work out the details with regard to political reconciliation, military non-aggression, exchanges and cooperation, and the denuclearization of the peninsula. In addition, full implementation of the accord would imply the conversion of the existing armistice institutions into peaceful ones and withdrawal of the U.S. military forces in Korea. At the 6th high-level talks, both sides expressed a willingness to be true to the agreement. Indeed, full implementation needs conscientious and effective efforts on both sides.

The two sides have different ideologies and social systems. The aftermath of the long time confrontation between them has not been eliminated. And some objective conditions will remain as restraint factors. Hence, difficulties and setbacks seem inevitable in the implementation of the accord.

However, as long as the two sides, surmounting their difference in ideology and social system, are able to strengthen their sense of national independence and to effect national unity, they will surely overcome the obstacles in the way. And the tides of reconciliation and peace in the peninsula will after all clear up the way for the reunification of the Korean nation.

Southeast Asia & Pacific

PLA Chief Meets Vietnamese Military Delegation

OW2402032092 Beijing XINHUA in English
0247 GMT 24 Feb 92

[Text] Beijing, February 24 (XINHUA)—General Chi Haotian, chief of General Staff of the Chinese People's Liberation Army (PLA), met with a delegation led by Major General Vu Xuan Vinh, director of the external relations department of the Vietnamese Ministry of National Defense, here this morning.

The group led by Vu represents the first delegation from the Vietnamese military after China and Vietnam normalized state and party relations last year.

In the meeting, Chi and Vu conversed on the issue of restoring and developing friendly relations between the armed forces of the two countries.

Apart from Beijing, the group will go on a tour of Shanghai, Hangzhou, Guangzhou and Shenzhen.

Yunnan Governor Leads Delegation to Vietnam

HK220202522 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 20 Feb 92

[Excerpts] At the invitation of the Vietnamese Foreign Ministry, a Yunnan Government delegation headed by Governor He Zhiqiang, left Kunming at midday today for a friendly visit to the SRV.

Since China and Vietnam normalized diplomatic relations last year, Yunnan and Vietnam have made new strides in developing friendly and good-neighborly relations.

In November last year, delegations from three provinces in northern Vietnam and Haiphong City visited Yunnan. The two sides held consultations about their cooperation in the fields of the economy, trade, [words indistinct], and transportation and signed the summaries of talks. Later Yunnan delegations composed of personnel in the fields of economy, trade, the metallurgical industry, agriculture, and the chemical industry headed by key leading members of corresponding departments also visited Vietnam on study tours. [passage omitted]

The Yunnan Government delegation will further exchange views with the Vietnamese side on developing good-neighborly relations and cooperation. It is expected that the two sides will reach agreement on a number of projects. [passage omitted]

Malaysian Official Meets Chinese Delegation

OW2102180292 Beijing XINHUA in English 1633 GMT 21 Feb 92

[Text] Kuala Lumpur, February 21 (XINHUA)—Malaysia and China should further cooperate and help each other in the economic field, Malaysian Deputy Prime Minister Abdul Ghafar Baba said here today.

During his meeting and talks with Saudig Bai Li Chen, chairman of the people's government of China's Ningxia Hui Autonomous Region, the deputy prime minister praised China for its rapid economic development in recent years and inquired in detail about Ningxia's basic facts.

Bai said his visit is aimed at getting acquainted with Malaysia and strengthening friendship and cooperation between China and Malaysia. He introduced Ningxia's economic development, especially in the sectors of machine building, coal mining, metallurgy, and light and textile industries.

Ningxia, he said, is a region with one-third of its population being Muslims, and Malaysia is a Muslim country. "Business links between us should be boosted," he said.

Ningxia, located in northwest China, has a population of 4.7 million. Bai is the highest official from the region to ever visit Malaysia.

Bai and his party arrived here Tuesday. The seven-member delegation has been into wide contacts with local business representatives and toured several industrial projects here.

The delegation goes to Penang State Friday to continue the visit before leaving for home next Monday.

Vice Premier Tian Jiyun Meets Indonesian Guests

OW2202101692 Beijing XINHUA in English 0927 GMT 22 Feb 92

[Text] Beijing, February 22 (XINHUA)—Chinese Vice-Premier Tian Jiyun met here today with Probosutedjo [name as received], brother of President Suharto and a noted entrepreneur of Indonesia, and his party.

The visitors are here to learn about China's policy of reform and opening to the outside world, major fields for development in the Eighth Five-Year Plan and Ten-Year Program, promote mutual understanding between the industrial circles of the two countries and discuss cooperative projects.

The guests arrived here Friday at the invitation of the China Council for the Promotion of International Trade.

Near East & South Asia

NPC Vice Chairman Peng Meets Arab Delegation

OW2302122392 Beijing XINHUA in English 1159 GMT 23 Feb 92

[Text] Beijing, February 23 (XINHUA)—Peng Chong, vice-chairman of China's National People's Congress (NPC) Standing Committee, met a delegation from the Arab Inter-Parliament Union here this evening.

The delegation led by 'Abdallah al-'Akayilah, member of the House of Representatives of Jordan, arrived here Saturday for a visit at the invitation of the NPC Standing Committee.

The delegation aims at exploring ways for the development of friendly ties between the NPC and the union so as to enhance bilateral cooperation in the promotion of world peace and the political settlement of regional conflicts.

The meeting was followed by a dinner hosted by the NPC Standing Committee in honor of the delegation.

China-India Working Group Concludes Boundary Talks

To Hold Regular Meetings

OW2102165892 Beijing XINHUA in English 1644 GMT 21 Feb 92

[Text] New Delhi, February 21 (XINHUA)—China and India today agreed that the military border personnel of the two sides will have regular meetings in June and October every year, according to a joint press release.

This agreement was reached at the end of the two-day fourth meeting of the China-India Joint Working Group (JWG) on the boundary question held here.

The joint press release said that the regular meetings will be held at Dumla Pass in the eastern sector and in the Spangur Gap area in the western sector.

The two sides will hold meetings and establish contact whenever the need arises, at the two designated points in the eastern and western sectors.

The two sides also agreed to establish telephone communication links to facilitate easy contact between the border personnel on each side.

The two sides exchanged views on confidence-building measures in the areas along the line of actual control, including prior intimation regarding military exercises, that will reflect the state of improved relations between the two countries, the press release said.

The two delegations at the fourth meeting of the JWG included representatives of the ministries of defense of the two countries for the first time.

The discussions were held in an atmosphere of mutual understanding and were frank, positive and friendly, the press release said.

It was decided that the next meeting of the JWG will be held at an early, mutually convenient date in Beijing.

The press release said that the discussions at the JWG meetings are aimed at arriving at a mutually acceptable settlement of the boundary question as well as on measures for ensuring peace and tranquillity in the areas along the line of actual control.

The Chinese delegation is headed by Vice-Minister of Foreign Affairs Xu Dunxin and the Indian delegation by Foreign Secretary J.N. Dixit.

The first JWG session was held in Beijing in July 1989 and the following two sessions were in New Delhi in August 1990 and in Beijing in May 1991.

Indian Prime Minister 'Satisfied'

*OW2102171392 Beijing XINHUA in English
1650 GMT 21 Feb 92*

[Text] New Delhi, February 21 (XINHUA)—Indian Prime Minister P.V. Narasimha Rao today said that he is satisfied with the outcome of the just concluded meeting on the boundary issue with China.

He made the remark while meeting Xu Dunxin, Chinese vice-minister for foreign affairs and leader of the Chinese delegation for the fourth meeting of the China-India Joint Working Group (JWG) on the boundary issue.

Both Rao and Xu expressed confidence that the boundary question will be solved through joint efforts by both sides, according to a spokesman of the Chinese delegation.

The two sides shared the view that China and India should step up their cooperation in many fields including international issues.

The two-day JWG meeting, which ended here today, regularized meetings between border personnel of the two countries.

Both Xu and Indian Foreign Secretary J.N. Dixit described their discussions on the boundary issue as "satisfactory, meaningful and positive."

Sides 'Confident' of Resolving Dispute

*OW2102172592 Beijing XINHUA in English
1706 GMT 21 Feb 92*

[Text] New Delhi, February 21 (XINHUA)—India and China today expressed their satisfaction over the development of bilateral relations in recent years.

At a meeting, Indian Minister for External Affairs Madhavsinh Solanki and visiting Chinese Vice-Minister Xu Dunxin felt that cooperation between the two countries in international issues are good and satisfactory.

A spokesman of the Chinese delegation quoted the two as saying that India and China should increase their exchanges in the context of new challenges in the world.

On the just-concluded fourth meeting of the China-India Joint Working Group [JWG] on the boundary issue here, Solanki and Xu expressed their confidence in finding a solution to the question.

Solanki said that India and China will show to the world that the two large neighbors are able to solve pending issues between them.

Xu said that the efforts to solve the boundary issue between the two countries on the basis of the Five Principles of Peaceful Coexistence are of great importance to peace and stability in the region and the world as a whole.

Xu, leading a Chinese delegation at the JWG meeting, also had consultations today with Indian Foreign Secretary J.N. Dixit on bilateral, regional and international issues.

Yang Shangkun, Egyptian Official Meet, Comment

*NC2102194092 Cairo MENA in Arabic
1730 GMT 21 Feb 92*

[Text] Beijing, 21 Feb (MENA)—Chinese President Yang Shangkun stressed that political, economic, and cultural relations between Egypt and China are constantly developing and improving.

Speaking during his meeting here yesterday with Consultative Council Speaker Dr. Mustafa Kamal Hilmi, who is currently visiting China at the head of a high-level parliamentary delegation, the Chinese president said while receiving a message from President Husni Mubarak that the relations of friendship and cooperation will be reflected in the two countries' coordination in the fields of foreign policy and cooperation in order to maintain the new world order from all the political and economic aspects.

The Chinese president expressed his country's willingness to extend more aid to Egypt in the scientific and technical fields. He asked the Egyptian delegation to convey his wishes and that of the Chinese people to President Mubarak and the friendly Egyptian people.

He also stressed the need to achieve a just and comprehensive peace in the Middle East and the importance of basing this peace on international legitimacy and law and Security Council Resolutions 242 and 338, which stress the need for Israel's withdrawal from all the occupied territories of the West Bank, Gaza Strip, and the Syrian Golan Heights. The Chinese president also stressed the Palestinian people's right to self-determination and the establishment of its independent state.

On his part, Dr. Mustafa Kamal Hilmi stressed during the meeting that Egyptian-Chinese relations are deeply rooted and go back many years. He noted that Egypt appreciates China's role in the new world order and also its role in the Middle East peace process and the consistency of this role during the subsequent stages of the regional negotiations.

The Chinese president praised President Husni Mubarak and his wise policies. He stressed that Egypt is the fulcrum of the peace process. He also praised Egypt's regional and international role. He said that Egyptian-Chinese relations have remained steadfast and will remain strong against all the numerous tests they face. He reiterated the inevitability of political cooperation between the two countries and the desire to have economic cooperation, noting that there are many opportunities for this cooperation, particularly in the scientific and technical fields.

Following the meeting, Dr. Mustafa Hilmi said that the talks dealt with the close relations between Egypt and China, the Middle East issue, and the importance of bringing about a just and comprehensive solution within the framework of legitimacy and law. He also referred to China's efforts and its role of supporting Arab rights and the level of bilateral cooperation in all economic, agricultural, industrial, scientific, and technical fields.

He declared Egypt's appreciation for China's role in the new world order, referring to Li Peng's speech in the Security Council on 31 January and its political contents and directions, foremost of which were the need for action to remove the gap between poor, developing countries and the developed ones and the importance of

the participation of these countries and international groupings in formulating the new world order.

Dr. Hilmi added that Mubarak's message underlined the ties of friendship and cooperation between the two countries, the hopes pinned on developing this cooperation in the future to serve peace and development, and the importance of cooperation in formulating the new world order.

Egyptian Minister Supports Li on Human Rights

*OW2302020392 Beijing XINHUA Domestic Service
in Chinese 1448 GMT 22 Feb 92*

[By reporter Yang Liqin (2799 4539 0530)]

[Text] Cairo, 22 February (XINHUA) —Yusuf Amin Wali, Egyptian deputy prime minister and minister for agriculture and land reform, today criticized certain Western countries for their recent interference in the internal affairs of Third World nations under the pretext of "human rights" problems.

At a meeting today with a delegation from the Chinese Ministry of Machine-Building and Electronics Industry—led by its vice minister, Bao Xuding—Wali said he fully endorsed the views on human rights expounded by Premier Li Peng at the summit of the United Nations Security Council.

Wali pointed out: Western nations' standards of human rights are not applicable to Third World countries; because of this difference, Western nations have even less of a reason to interfere in the internal affairs of Third World countries on the pretence of human rights, democracy, and economic reform.

In addition, Wali said: Every country has its own specific circumstances—which are different from those in other countries. China has to solve the problem of feeding the Chinese people as well as the problems of national development and modernization; hence, unity of the people and country is indispensable.

Bao Xuding briefed Wali on China's progress in reform and opening up to the outside world, particularly the achievements made in the past three years following the readjustment. He also expressed China's desire to further develop its cooperative relations with Egypt.

Wali pointed out: Although China has met with some difficulties during reform and opening up to the outside world, these difficulties can be overcome; this is because China has adhered to the policies and principles with "Chinese characteristics" in the course of its reform and opening up to the outside world.

The Chinese delegation from the Ministry of Machine-Building and Electronics Industry, led by Vice Minister Bao Xuding, arrived here on 18 February. They are here to take part in the 25th Cairo International Fair and to visit Egypt.

Egyptian University Presented With Language Lab

*OW2302212492 Beijing XINHUA in English
2013 GMT 23 Feb 92*

[Text] Cairo, February 23 (XINHUA)—China presented today a 48-seat language laboratory to the Cairo-based 'Ayn Shams University in implementation of a bilateral cultural agreement signed in 1989.

Also presented, to the Chinese language department of the Shams University, were 1,000 books and a number of Chinese handicrafts.

The memorandums on the Chinese presentation were signed by Chinese Ambassador to Cairo Zhu Yinglu, and Ain Shams University President, 'Abd-al-Salam 'Abd-al-Ghaffar.

Since its establishment in 1958, the Chinese language department of 'Ayn Shams University has turned out 124 male and female students, with 10 of them having obtained doctor's degree.

The department has now 17 Egyptian students and its teaching staff includes four visiting Chinese professors.

In a speech to mark the presentation ceremony, Ambassador Zhu praised the department for "being a pioneer model of cooperation between China and Egypt in the field of education."

Sub-Saharan Africa**Seychelles President Meets Vice Foreign Minister****Praises Reform Effort**

*OW2102123592 Beijing XINHUA Domestic Service
in Chinese 0507 GMT 20 Feb 92*

[Text] Beijing, 20 Feb (XINHUA)—Victoria: Seychelles President France Rene received Chinese Vice Foreign Minister Yang Fuchang on 18 February.

President Rene extended his welcome to Yang Fuchang. He praised and thanked China for having provided an effective assistance to Seychelles and said that Seychelles hopes to further develop its friendly and cooperative relations with China.

Recalling his repeated visits to China, Rene said: China has made great achievements in economic construction, and the Chinese leaders have made a wise decision to pursue the policy of reform and opening to the outside world. He briefed Yang Fuchang on changes in Seychelles' political system.

Yang Fuchang said that China attaches importance to developing friendly and cooperative relations with Seychelles. He praised the great achievements made by Seychelles in political, economic and social fields under the leadership of President Rene. He also briefed Rene on the recent political, economic, and social development in China.

XINHUA Summarizes Visit

*OW2302180392 Beijing XINHUA Domestic Service
in Chinese 1602 GMT 22 Feb 92*

[Text] Beijing, 22 February (XINHUA)—According to a dispatch from Victoria, Chinese Vice Foreign Affairs Minister Yang Fuchang left this capital of the Republic of Seychelles for Madagascar on 20 February to continue his African tour after his four-day visit in that country. This was the first visit to Seychelles by a senior official of the Chinese Ministry of Foreign Affairs since the establishment of diplomatic relations between the two countries 16 years ago.

During his visit, Yang Fuchang had talks with Ralph Adam, Seychelles acting minister for external affairs, and exchanged views with him on the international situation and bilateral relations. Adam expressed special satisfaction over China's tremendous efforts in safeguarding world peace and China's contributions to the Middle East peace conference. He praised China for its impressive diplomatic successes over the past two years. Yang Fuchang indicated that China and Seychelles share identical or similar views on many international issues. He reiterated China's consistent stand that all countries, big and small, are equal in international affairs.

During the visit, Seychelles President France Albert Rene had a cordial meeting with Vice Minister Yang Fuchang. Yang Fuchang also met with James Michel, Seychelles minister for finance; and Mrs. Sylvette Frichot, minister for local government, culture and sports. He also signed an accord with Mrs. Frichot on lifting the visa requirements for visitors from each other's country.

In an interview with Seychelles radio and television stations before concluding his visit to Seychelles, Yang Fuchang stressed that his visit had been fruitful. When asked to comment on Seychelles' political reform, Yang Fuchang indicated that China always respects the choice made by people of all countries according to their own situations. He said he hoped Seychelles can maintain its national solidarity, political stability, and economic growth.

Ugandan President Receives Minister Wei Jianxing

*OW2202214292 Beijing XINHUA in English
2011 GMT 22 Feb 92*

[Text] Kampala, February 22 (XINHUA)—Ugandan President Yoweri Museveni today received visiting Chinese Minister of Supervision Wei Jianxing at the State House in Entebbe.

President Museveni spoke highly of the friendly relations between Uganda and China and commended China for its unreserved support to African freedom fighters during their independence struggles.

In view of the situation in the world today, there should be more cooperation between Africa and China, he said.

On Friday, Ugandan Vice-President and Minister of Internal Affairs Samson Babi Kisekka also met with the Chinese minister.

During his visit, Wei held two rounds of talks with his Ugandan counterpart Augustine Ruzindana [title as received] on how to improve their supervision work.

The Chinese minister, who arrived here on Tuesday, will leave for Tanzania on Sunday to continue his three-nation Africa tour which will also take him to The Sudan.

Beijing Gives Tanzania Medical Aid, Equipment
OW2102232792 Beijing XINHUA in English
2110 GMT 21 Feb 92

[Text] Dar es Salaam, February 21 (XINHUA)—China today offered Tanzania 220,000 U.S. dollars worth of medicine and medical equipment.

Speaking at a delivering ceremony here, Chinese Ambassador to Tanzania Sun Guotong said China would continue to give medical aid to Tanzania as usual to help improve its health services.

On the same occasion, Tanzanian Health Minister Philemon Sarungi expressed his gratitude to China for its assistance.

Last year, China donated 200,000 U.S. dollars in medical aid to the east African country.

East Europe

Yugoslav Leaders Meet Chinese Ambassador
OW2102175992 Beijing XINHUA in English
1446 GMT 21 Feb 92

[Text] Belgrade, February 21 (XINHUA)—Vice President of the Federal Republic of Yugoslavia Branko Kostic met the Chinese ambassador to Yugoslavia, Zhang Dake, here today.

In two hours of talks, they exchanged views on the situation in Yugoslavia and bilateral relations. Kostic briefed Zhang on developments in Yugoslavia and expressed his thanks for China's attitudes on Yugoslav issues.

Zhang said he hoped that the joint efforts of all parties concerned would resolve the issues.

Deputy Prime Minister Aleksandar Mitrovic [title as received] also met Zhang today. He said he hoped that Sino-Yugoslav relations would develop further and that bilateral economic and trade cooperation would be strengthened.

State Councillor Li Meets CSFR Sinologist
OW2202130592 Beijing XINHUA in English
1250 GMT 22 Feb 92

[Text] Kunming, February 22 (XINHUA)—Chinese State Councillor Li Tieying met with Czechoslovak Sinologist Zlata Cerna here today.

Zlata Cerna, as guest of the Chinese Ministry of Culture, arrived here February 20 to watch the Third China Art Festival.

Czechoslovakia's Budget Deficit Continues To Grow
OW2202032392 Beijing XINHUA in English
0133 GMT 22 Feb 92

[Text] Prague, February 21 (XINHUA)—The budget deficit in Czechoslovakia reached 12.3 billion korun (420 million U.S. dollars) last year, the federal government announced on Thursday.

Local newspapers quoted the government's statistics as saying today that the country failed to realize a plan to have a surplus of eight billion korun (270 million U.S. dollars) in 1991.

In a meeting of the Economic Committee, Vice Finance Minister Ivan Kocarnik said today that the deficit could be attributed to out-of-control budget expenditure in the two republics and some unrealized budget revenue.

The federal government also said salaries would rise by 10 percent this year, but not exceed 12 percent, because it was predicted that the inflation rate would reach 12-15 percent and production would drop by 3-6 percent in 1992.

'Roundup' Views Hungary's Economic Difficulties
OW2102132292 Beijing XINHUA Domestic Service
in Chinese 0651 GMT 21 Feb 92

[Roundup by reporter Zhou Donghao (0719 2639 5069): "Hungary's Economy Still at Low"]

[Text] Budapest, 20 February (XINHUA)—A recently announced series of statistics reveal that Hungary's economy, following a sluggish 1990, was still at a low in 1991. Whether the country's economy can rebound this year is still unknown.

At a news conference in Budapest on 20 February, Vukovich, director of Hungary's Central Statistics Bureau, said: Hungary's 1991 total national output value is 7-9 percent less than 1990. Industrial production dropped for two consecutive years—9 percent in 1990 and 19 percent in 1991. In 1991, the construction industry shrank 17 percent, the volume of cargo transportation dropped 34 percent, and agricultural production decreased 3-4 percent. Another report put Hungary's 1991 foreign trade deficit at \$1.5 billion and indicated that its foreign debts remained at \$19 billion.

Vukovich admitted that Hungary's economic recession in 1991 was accompanied by a sharp increase in unemployment and a persistent high inflation rate. According to official statistics, the number of Hungary's unemployed people increased from 80,000 to 400,000 in 1991, resulting in an increase in the unemployment rate from 1.7 percent to 8.5 percent. The country's inflation rate was 35 percent in 1991, the highest in the past five years.

Vukovich did not elaborate on the causes of Hungary's economic recession, but most Hungarian economists agree that the situation had something to do with the unrest in the former Soviet Union and East Europe—Hungary's exports to these areas decreased 60 percent in

1991, forcing many enterprises to halt production or to remain in a state of semiproduction stoppage. Moreover, decreases in domestic demand and privatization of enterprises also contributed to decreases in production.

Vukovich optimistically said that there already had been some indications that Hungary's economy will slowly revive this year. His rationale is that industrial production in December 1991 increased 3.3 percent over the same period in the previous year and that inflation had been on the decrease. Many economists, however, maintain that it is too early to be optimistic and that the facts will provide the best answer.

Political & Social

NPC Standing Committee Deliberates Various Laws

Draft Law on Trade Unions

OW2102133692 Beijing XINHUA in English 1318 GMT
21 Feb 92

[Text] Beijing, February 21 (XINHUA)—A draft amendment to the Law on Trade Unions has been deliberated for the past two days by China's highest legislative body, the Standing Committee of the National People's Congress (NPC).

In China, the working class is the leading class, according to the constitution.

Vice-Chairman of the NPC Standing Committee Ni Zhifu, who is also president of the All-China Federation of Trade Unions, said this morning that China has undergone great changes over the past four decades, and some articles of the Law on Trade Unions, which was formulated in 1950, are out of date.

Ni commented that it will be beneficial for both workers and enterprises if trade unions run firms and public institutions which serve workers.

Song Chengzhi, an NPC member from the army, noted that the Law on Trade Unions is different from other organic laws, so "to work under the leadership of the Chinese Communist Party" should be written down in the amendment.

NPC member Lin Lanying, a scientist, suggested that safety precautions be designated in the amendment. She said she had discovered during her inspections of enterprises that some of them paid little attention to the health of workers, for instance, in the paint-spraying business. "And rural enterprises are worse in this respect compared with state-run enterprises," she said.

NPC member Yuan Xuefeng, a noted artist, said that the amendment should stipulate the importance of educating workers in patriotism and professional ethics.

During the three-hour deliberation the members also voiced their views on coordination between trade unions and government, and advocated the setting up of law consultancy bodies by trade unions.

According to statistics, China now has a total of 589,000 grass-roots trade unions.

The draft will be submitted to the fifth session of the Seventh NPC for further deliberation, following the revision by the current session of the NPC Standing Committee.

Draft on NPC Deputies, Others

OW2202173992 Beijing XINHUA Domestic Service
in Chinese 1024 GMT 22 Feb 92

[Text] Beijing, 22 Feb (XINHUA)—The 24th Meeting of the Standing Committee of the Seventh National People's Congress [NPC] broke into group discussions in the past few days, where members separately examined various motions slated for examination by the current meeting.

On the draft Law on Deputies to the NPC and local People's Congresses at Various Levels and the amended draft to the Trade Union Law, members maintained that, after examination and further amendment, these two draft laws were further improved and perfected. They have generally agreed to further amend these two draft laws before submitting them to the Fifth Session of the Seventh NPC for examination and adoption. Some members suggested further amendments on the clause governing functions of deputies and strengthening their inspection work, while others maintained that the amended draft of the Trade Union Law should give fuller coverage to new problems surfacing in the process of reform and opening up.

On the draft Laws of Territorial Waters and Contiguous Zones, some members said that, in view of the length of its coast and vast sea areas, China is both a continental and an oceanic nation. As such, the enactment of the law is not only essential but also important in protecting China's territorial sovereignty and safeguarding the legitimate rights of its territorial waters and contiguous zones. They also held that the sooner the law is enacted the better. After making preliminary examinations and amendments, this draft law has become more perfect. Its examination and adoption by the current meeting of the Standing Committee is recommended.

In examining the Draft Law on Administering Tax Collections, members pointed out that as tax revenues have become a major source of China's financial revenue, the work of strengthening the administration of collecting taxes has become more and more urgent; and the enactment of this law will add more legal effects to China's tax collection work. Some members favored the intensification of propaganda on tax collection so that members of the public will better understand the subject and take the initiative to pay taxes according to law. Meanwhile, departments administering tax collection should continuously improve themselves.

In examining the report by Zhu Xun, minister of geology and mineral resources, on implementing the Mineral Resources Law, members generally expressed satisfaction over its implementation in the last five years and also showed deep concern over a number of existing problems. Some members maintained that although China's mineral resources are rich, the per capita ratio is not high enough, however. Hence, in the interest of coming generations, strict implementation of the law is essential. They urged stern actions against individuals

and units who violate the law by wasting and damaging mineral resources, and the formation of a social atmosphere and a code of ethics, under which the whole community will not only treasure mineral resources but also make full and rational use of them. Some members also put forward views and suggestions on geological work and mineral production.

Members also examined and approved the draft decisions on the number of deputies to the Eighth NPC, scheduled to be discussed at the Fifth Session of the Seventh NPC; the PRC-USSR [as received] Agreement on the Eastern Portion of the Sino-Soviet Border; and an examination report by the Credentials Committee on deputies' qualifications, who were elected through by-elections, to the Seventh NPC.

Draft on Tax Management

OW2202151592 Beijing XINHUA in English 1419 GMT
22 Feb 92

[Text] Beijing, February 22 (XINHUA)—The promulgation of the Law on Taxation Management is of great significance for China to tighten control over tax dodging.

This view was shared by the members of the Standing Committee of the Seventh National People's Congress (NPC) at its 24th session, now being held here.

Ye Lin, vice-chairman of the Financial and Economic Committee of the NPC, pointed out that China does not have a unified taxation management nationwide at present.

Even worse, the regulations are powerless in some cases, and this has resulted in lax collection of taxes and tax evasion; the annual tax-dodging total is estimated at over three billion yuan.

According to Ye, the draft of the law, still under deliberation, unifies the application scope of the current legislation on taxation management.

Besides, some mandatory measures have also been mapped out in the law, including the freezing of bank deposits of law violators and forbidding them to leave the country. He said he believed that these detailed measures will effectively safeguard the state's interests.

Fu Yingjie, another deputy to the NPC, said that the detailed measures will help mitigate friction between tax payers and tax collectors.

At the same time, the legal responsibilities of tax collectors are also spelled out in the law to ensure their honest exercise of authority.

Some members of the standing committee also suggested revisions to the draft of the law.

Yuan Xuefeng and Yang Lieyu noted that the starting points of current taxation, including adjustment tax of

individual income and income tax from author's remuneration have not shown the real situation due to the rapid development of the commodity economy in recent years.

They proposed that these points be included in the regulations.

The members of the NPC Standing Committee urged that the draft should be examined and put into effect at the earliest date.

Draft on Protection of Women

HK2202054292 Beijing CHINA DAILY in English
22 Feb 92 p 1

[By staff reporter Wang Rong: "Two Years To Draft New Law for Women"]

[Text] After two years work, China's lawmakers have completed a draft law on the protection of women and will submit it next month to the top State legislature, the National People's Congress (NPC), for approval.

The Fifth Session of the Seventh NPC opens on March 20 in Beijing and will examine the draft law, the 14th version written in two years, according to Wu Changzhen, law professor, who played a major role in the work.

She said traditional discrimination against women, and modern forms of ill-treatment, combined with the lack of an action-oriented and comprehensive law for women had made the new legislation a "must."

There were tough debates on three subjects, especially—the retirement age for women with senior professional titles, women's employment, and welfare of working women during period of motherhood.

Detailed negotiations with relevant ministries and departments led to many changes and amendments, according to Wu.

Propositions cover a wide range of interests: The number of seats that should be reserved for women in power groups, for instance, and issues like who is to see to it that divorced women have an apartment to live in. Also covered are such issues as the right of girls to go to school, discrimination in the jobs market, the female image in the media, and abduction and prostitution.

Penalties are laid down. They are on four levels—from administrative sanctions to criminal sentences—and include new principles for measuring the seriousness of crimes that have emerged too recently to be covered in the existing criminals law.

Hears Resource Conservation Report

OW2402133692 Beijing XINHUA in English 1239 GMT
24 Feb 92

[Text] Beijing, February 24 (XINHUA)—China's rich reserves of mineral resources are in fact limited when

compared to the vast population, Chinese legislators commented on a report about impact of a six-year-old law on mineral resources.

The report, made by Zhu Xun, minister of geology and mineral resources, four days ago at the 24th meeting of the Standing Committee of the National People's Congress (NPC), provides a full view of the achievements, existing problems and future tasks of China's mineral industry.

Members of NPC Standing Committee suggested that "conserve mineral resources" be designated as one of China's basic national policies, to better utilize the country's mineral deposits.

Member Li Xuezhi, who is also the vice-chairman of NPC Nationalities Committee, said a large part of China's mineral resources lie in the areas of minority nationalities, providing a material foundation for their economic development.

Li suggested that national interests, local interests, and economic development of the minority nationalities' areas be taken into overall consideration when government exploits mineral resources there.

Former Minister of Justice, Zou Yu, pointed out that laws concerning mineral resources have curbed reckless mining practices and established a legal base for China's mineral prospecting industry.

Zou called for more publicizing of the law.

Member Dong Naifang, a woman teacher, noted that inadequate investment has been a constant problem and has greatly hindered the development of the mineral industry.

She suggested more funds be invested in mineral prospecting and training of technicians.

In the past four decades, China has explored over 300 million square meters; some 160 kinds of minerals have been discovered, 20 kinds of which constitute major world deposits.

At present, 95 per cent of China's energy, and nearly 80 per cent of industrial raw materials, come from mineral resources.

Deng Urges Emancipation of Thinking for Reform

HK2402110592 Shanghai BAKAN WENZHAI
in Chinese 21 Jan 92 p 1

[Report: "Comrade Deng Xiaoping Recently Points Out Need To Explore New Ideas in Reform"—"Excerpted" from 7 January issue of Shenyang LIAONING XINXI BAO (LIAONING INFORMATION PAPER 6697 1337 0207 1873 1032)]

[Text] Comrade Deng Xiaoping recently pointed out that new ideas should be explored in reform. He stated: When it is said that new ideas are needed in reform, it

means that new methods and new measures different from those of 10 years ago are needed in the reform. The key to studying new situations and exploring new ideas lies in further emancipating the mind. And the emancipation of the mind is certainly no permanent solution. Take for instance the relationship between planning and the market. Some comrades have the habit of equating a planned economy with a socialist economy, and a market economy with capitalism. All the years of experience have shown that this view is no longer consistent with the practical situation. Planning and the market are just two ways and means of allocating resources, and are not indications of the difference between socialism and capitalism. On this question, we should avoid falling into a new kind of mental block, and should refrain from simplistically equating the development of a socialist commodity economy and a socialist market with capitalism. The use of foreign capital should not be pitted against independence and self-reliance, thereby causing excessive caution and consideration in the use of foreign capital. The deepening of reform should not be pitted against economic improvement and rectification, while there should be no wavering or retreating from tried and tested reforms which have to be upheld and perfected. The sustained and stable development of the economy as well as an absence of overzealousness for results should not be pitted against a sense of urgency, thereby causing slackening of work and failure to accomplish tasks which could otherwise have been accomplished. In short, further emancipation of the mind is a prerequisite for ensuring the realization of the second-step strategic objective. In my opinion, this is still a problem today. Localities, departments, and units which have liberated their thinking are able to open up a new situation in their work, while units that have failed to liberate their thinking suffer from a lack of vitality and difficulty in improving their work.

Shenzhen Paper Runs Commentaries After Deng Visit

Commentary Reiterates Economic Focus

HK2102141592 Hong Kong WEN WEI PO in Chinese
20 Feb 92 pp 1, 2

[Report: "SHENZHEN TEQU BAO Carries Eight Important Commentaries as of Today, Stresses Economic Construction as the Key Link"; first of eight commentaries by the SHENZHEN TEQU BAO Editorial Department]

[Text] Shenzhen, 19 Feb (WEN WEI PO)—SHENZHEN TEQU BAO today carries an important commentary by its editorial department titled "Tightly Grasp the Central Link." This is the first of eight commentaries written by the editorial department for the Year of the Monkey after Deng Xiaoping's recent visit to the special economic zone [SEZ]. Deng is regarded as the general architect of China's reform and opening up. The seven other commentaries will be published in succession in the next few days. They are titled: "Move More Quickly," "Dare to Break Through," "Do More Solid

Work," "Both Hands Should Be Tough," "The Communist Party Can Eliminate Corruption," "Stability Is the Major Precondition," and "We Can Only Take the Socialist Road."

The full text of "Tightly Grasp the Central Link" is as follows:

Spring comes early in the Year of the Monkey, and everything looks fresh and gay.

In the new year, all businesses in Shenzhen are thriving. But the most important thing is that we must firmly grasp the center of economic construction and further promote economic development. While stressing substantial results, it is also necessary to seek a faster speed.

More than 10 years ago, Shenzhen was a poor, backward, small border town. Through reform and opening up and by firmly grasping economic construction, great achievements have today been made. People have begun to lead a relatively comfortable life sooner than they had expected, and the city has attracted worldwide attention. It has been called an "overnight city."

The central authorities expect that the Shenzhen SEZ will play a leading role in building socialism with distinctive Chinese characteristics. Thus, we must always firmly grasp the central task of economic construction and never slacken our efforts. Poverty does not spell socialism. The fundamental task of socialism is to develop productive forces. Only when production is greatly developed and the people's increasing needs in their material and cultural lives are satisfied can we say that our country is prosperous and strong, our people rich, and that we have built socialism with distinctive Chinese characteristics. Both the positive and negative experiences of the past decades tell us that in order to build socialism in China, we must implement the basic line of "one center, two basic points" in a comprehensive way. One center means economic construction. This line cannot and will not be changed. It will be implemented for at least 100 years. Then, the people of the world will find an entirely new Shenzhen and a new China.

We have withstood tests in firmly grasping the center of economic construction. After the political disturbances in the late spring and early summer of 1989, some people at home and abroad were afraid that China would take class struggle as the key link again. But what really happened in China then? We continued to open our doors to the outside world, adhered to the basic national policy of reform and opening up, and never slackened in our efforts to promote economic construction, which is our central task. This center cannot be changed. Otherwise China will go backwards, hundreds of millions of people will starve, great disorder will occur, and the whole world will be affected. Why has our society become more stable since the political disturbances? In the final analysis, it is because people have enough to eat. Economic development and improvement in the people's lives naturally bring about peace of mind among the people, as well as political and social stability. In short,

economic development forms a solid foundation for social stability and development. Facts show that although there were many reasons for the violent political changes in some former socialist countries, some of which even collapsed and disintegrated all at once, a very important reason was that their economies were not promoted. As the superiority of socialism was not brought into play, the masses were not content. In China, the situation is greatly different. Since the Third Plenary Session of the 11th CPC Central Committee, we have firmly grasped the center of economic construction, and have achieved great successes in economic construction, social development, and nationality solidarity. "The unique view is on this side." Of course, we must also see clearly that there is still a big gap between our current economic development and the third-step strategic objective of our modernization drive. We must never slacken in our efforts to firmly grasp this center, and we must advance at a greater speed.

As a matter of fact, when we look at problems more realistically, we can find that the source of various contradictions in our society lies in the economic basis, and that all social problems can be solved only when the economy is promoted. Once our economy is developed and our national strength is enhanced, all problems can be readily solved.

To sum up, taking economic construction as the center conforms with the highest interests and common aspirations of the broad masses of people. It is decided by the main contradictions in the socialist period and demanded by the "three-step" strategic objective for our socialist modernization drive. It is also needed in order to open up a new situation in diplomatic affairs and to build up a good image of socialist China in the international community. All people who are concerned with the future of our country should also concern themselves with economic construction. All work must be done around the center of economic construction and must be subordinated to and serve this center, rather than deviating from or obstructing it. Whatever happens in this world, we will firmly grasp this center without letup.

Commentary Warns of Complacency

HK2402095292 Hong Kong WEN WEI PO in Chinese
22 Feb 92 p 1

[Report: "TEQU BAO Continues To Disclose Guidelines of Deng Xiaoping's Talks; Shenzhen Should Move More Quickly in Carrying Out Reform, Opening Up, Take Lead in Creating Socialist 'Hong Kong'"; second of eight commentaries by the SHENZHEN TEQU BAO Editorial Department]

[Text] Shenzhen, 21 Feb (WEN WEI PO)—Recently, SHENZHEN TEQU BAO published a series of articles by its editorial department, disclosing the guidelines of talks given by Deng Xiaoping in Shenzhen in January. Tomorrow the newspaper will publish an article entitled "Move More Quickly" (the second of the commentaries

written for the Year of the Monkey). The article's full text is follows: As the situation is changing, opportunities and challenges go side by side. In the last 10-odd years of reform and opening up to the outside world, the course has been cut. The development of the situation requires Shenzhen to move a little quickly. To put it another way, the pace of reform and opening up to the outside world and that of economic construction should be speeded up a little. Through several years of efforts, Shenzhen should take the lead in creating a socialist "Hong Kong."

We are now faced with a very good opportunity. China has a political situation of unity and stability and is enjoying long-term stability. The tasks of economic improvement and rectification have been roughly completed. The central and provincial authorities have shown greater concern for and given greater encouragement to Shenzhen's drive of reform and opening up to the outside world. Localities throughout the country have gained a better understanding of and given greater support to the cause of the special zones. People overseas have shown a greater interest in, and courage and resourcefulness in Shenzhen's investment achievements. This stimulating spring tide serves as a sound condition for Shenzhen to move more quickly.

Since its establishment 11 years ago, the Shenzhen Special Economic Zone has successfully conducted numerous experiments in reform and opening up to the outside world, developed the social productive forces at top speed, and gained experience in its work. Its cadres have been tempered; its people's living standards have been substantially improved; and society's capability to withstand strains has been greatly enhanced. All this shows that it is entirely possible for Shenzhen to move more quickly. On no account should we let a golden opportunity slip by.

At present, reform and opening up are surging ahead nationwide like a great tide. Particularly in the Zhu Jiang Delta, Shanghai's Pudong Development Zone, and the open coastal cities, there are people everywhere ready to try every possible means to successfully carry out reform and opening up, thus accelerating the pace of advance. The situation is gratifying and pressing. As the "vanguard" of reform and opening up to the outside world, the Shenzhen special zone does not move a little quickly, it will lag behind others. This will mean going against the mission of a special economic zone, and letting the party and the state down.

Moving more quickly means speeding up the pace of economic development. In its first 10 years of development, the Shenzhen special zone has achieved a high average growth rate of 47 percent a year in its gross domestic product. That was an eye-catching achievement. The current call for moving more quickly does not mean surpassing the above average growth rate in the days to come, because we have already have a bigger base figure and a higher starting point than in the past. We should not pursue things of the past and passively wait for things to happen. By moving more quickly in the

days ahead, we mean striving for a high growth rate if there is such a possibility. The high growth rate that should be sought should be a growth rate that can be achieved with some subjective efforts having been exerted and when objective conditions permit. This is a practical high growth rate rather than a growth rate "generated proportionally by one's daring." It is an efficiency-type of growth rate rather than a growth rate characterized by a drop in economic efficiency. This is completely identical with the call for creating a "Shenzhen effect." Does good efficiency plus a high growth rate not mean greater efficiency? It is true that we should not outstrip objective possibilities and blindly pursue high growth rates because that will result in an overheated economy and a drop in efficiency, but on no account should we slacken our subjective efforts and make no efforts to strive for the high growth rates that could originally be attained.

To move more quickly, it is crucial to have the spirit of daring to keep forging ahead. Some people are reluctant to keep forging ahead, content to rest carefree with their favorable conditions, and always thinking that because they have what the others do not, other people are too far behind to catch up. They therefore feel superior and carefree, and do things at a leisurely pace. They appear to be fully assured of success. It must be noticed that favorable conditions are just an external factor; whether or not one can move more quickly depends on one's own efforts. Good external conditions should serve as a catalyst in forging ahead at an accelerated pace. If one gets bogged down in blindness, favorable conditions can become a burden in one's advance. Considering themselves to be "Big Brothers," some comrades stand still and refuse to progress, always thinking that because they have started first, it would be hard for others to replace. In fact, starting before others in the past does not mean going a step ahead of others in the days to come. That the central authorities let the special zones conduct experiments before the rest of the country does not mean that we can go a step ahead before the others in practice. Today, when the mechanisms of competition keep growing, the law of survival of the fittest will function more extensively. "If the present is lost, the future will not exist." Builders of the special zones should be soberminded about this idea and keep in good shape to compete.

Commentary on Breaking Through

HK2402082992 Hong Kong WEN WEI PO in Chinese
24 Feb 92 p 2

[Report: "SHENZHEN TEQU BAO Continues To Disclose Guidelines of Deng Xiaoping's Talks; Shenzhen's Achievement Lies in Daring To Break Through"; third of eight commentaries by the SHENZHEN TEQU BAO Editorial Department]

[Text] Today, SHENZHEN TEQU BAO published a commentary entitled "We Should Dare To Break Through—Third Part of Spring Festival Commentary in

the Year of the Monkey," which continues to disclose the spirit of Deng Xiaoping's speech during his Shenzhen tour in January this year. The commentary stressed that the reason why Shenzhen can attain such internationally noted accomplishments in reform and opening up is that it dares to break through.

The commentary pointed out that "daring to break through" means that in reform and opening up, one should dare to break into "forbidden areas" currently guided by outdated policies, rules, and stipulations; to break into "blind areas" that our forefathers never set foot in; and to break into "difficult areas" where there are intricate and complicated contradictions that people often shrink back at the sight of. In the end we can well succeed in building up socialism with Chinese characteristics.

After citing Shenzhen's numerous achievements in "breaking into various forbidden areas" including putting up the right to use land for auction, inviting public tenders to make bids for Shenzhen's new capital construction projects, and carrying out price reform, the commentary empathetically pointed out: "We should break into 'forbidden areas' in the same place and at the same time that they are being set up. This is the way in which society makes progress. In this world, there are no eternal 'forbidden areas'."

The commentary also indicated that "daring to break through" means daring to seek truth from facts. It requires courage to seek truth from facts and to realistically obtain a correct understanding of the world; yet it also requires a greater courage to transform the world in a realistic manner. We should dare to transform those fields which were never touched by our forefathers and to bring to light laws which are not yet recognized and accepted by others. We should not act simply as the higher authorities or books instruct us, just because of already established theories, regulations, and restrictions; we should dare to act in ways which have been proven correct by facts. To this end, we are required to observe objective laws and break through conscientiously in a scientific manner. We should refrain from acting blindly, rashly, and arbitrarily." Slips are unavoidable when we try to break new paths. However, our efforts will prove to be some kind of contribution, no matter whether or not they are successful. Our approach towards mistakes is to have them redressed promptly. We will become broad-minded once we have no selfish intentions. As long as we wholeheartedly devote ourselves to the interests of the vast majority, all "forbidden areas," "blind areas," and "difficult areas" are areas in which we can display our abilities and break through.

Expert Decries Tibet Claim to Self-Determination

OW2402105292 Beijing XINHUA in English 1026 GMT
24 Feb 92

[Text] Beijing, February 24 (XINHUA)—Chinese international law expert Li Zerui said here today that the

principle of "people's self-determination" does not suit Tibet, which is part of China.

The expert told XINHUA that some foreigners were now advocating the so-called "self-determination of Tibetans". Again, this just exposes the hideous features of colonialism in their intention to invade China, Li stressed.

Li, who studied at the University of Paris for doctoral degrees early in 1948 and is now a research fellow at the Chinese Academy of Social Sciences, said the "people's self-determination" in the U.N. Charter signed after the ending of World War Two only referred to the self-determination of the people in colonial countries.

The rights to self-determination, Li noted, meant the gaining of rights for independence of the people in colonies and dependencies.

He said that China before 1945 was a semi-colonial country. During World War Two, it allied with the Soviet Union, the United States and some other countries in defeating the invaders of Germany, Italy and Japan, and some countries in Europe, Asia and Africa were liberated. Chinese people then enjoyed the rights to self-determination.

He noted that the Chinese People's Liberation Army's entrance into Tibet and their liberation of the millions of serfs in the region resulted in the expulsion of colonialists and aggressors. This was the exercise of the rights of self-determination of the Chinese people, Li pointed out.

Therefore, according to Li, the interference in the affairs of Tibet by foreign countries constituted the violation of the self-determination rights of the Chinese people.

The international law expert told XINHUA that with no alternatives to the modern international law principle of "self-determination of the people in colonial countries", some foreigners put forward the so-called theory - "China is a colonizing country."

These people, Li said, intended to regard China as a "colonizing country" and force China to practise international law in order to realize the self-determination of Tibetan people.

Li, who has been long involved in the research of world affairs and international law, said this theory is extremely absurd.

As it was generally known, Li explained, the colonialist invasion was the product of the burgeoning capitalism in Western Europe in the 15th and 16th centuries.

The then rising western capitalist powers turned some countries in Asia, Africa and America into their colonies or dependencies to occupy markets and obtain raw materials, he said, adding that great deal of wealth in these countries was taken away.

From then on, he said, the countries in the world were divided into two kinds - a small number of capitalist countries in Western Europe with ruling powers on earth as colonizing countries, and the great number of colonies and dependencies in Asia, Africa and Latin America that were under the domination of the former.

History showed, Li noted, that only several western countries enjoyed the "glorious titles" of colonizing countries.

He said it was totally groundless and against the historical truth to call China a colonizing country.

Li said that some foreigners did not dare to call Tibet a colony of China. Instead, he said, they held that the principle of self-determination could also be applied to those which were not colonies.

The implied meaning here, Li pointed out, was that Tibet, although not a colony of China, could enjoy the rights of self-determination.

"This theory can not hold its ground," the expert emphasized.

He quoted Italian Professor Antonio Casses as saying that some western scholars, while maintaining that the principle of self-determination suits all people, were wrong when they used the term to oppose, or at least to obstruct the socialist countries from rejecting colonialism.

In other words, Li said, the Italian professor meant that the term "self-determination" was usually used to safeguard the interests of colonizing countries.

Li also refuted the theory by some foreign scholars that "deprivation of human rights of a people...is important ground for the exercise of the rights to self-determination".

He said the peaceful liberation of Tibet, the quelling of rebellion led by Dalai Lama, and the implementation of democratic reforms in Tibet are not encroaching upon the human rights of Tibetans, they are safeguarding the latter.

While sticking to the theory of "Tibet's right to self-determination" which was based upon the alleged violation of human rights in the region, some foreigners were interfering in the domestic affairs of China on the excuse of protecting the human rights of individuals, Li claimed.

He pointed out that it was the principle of "international protection of human rights" as put forward by the colonialists in the 16th century that some foreigners are using to talk about Tibet.

This principle used to be manipulated by western colonialists as their excuse to encroach upon the human rights of others, Li said.

It was against such background that the U.N. Charter stipulated that the issue of human rights was within the jurisdiction of domestic law of a country, according to the expert.

The U.N. Charter did not stipulate that the organization could "protect" human rights, but it was obliged to "promote", "encourage", "assist" and "expand" the universal respect for the human rights of individuals in the world, he noted.

The U.N. Charter maintained that this obligation should be carried out in accordance with the stipulations in the world human rights declaration, and with the assistance of the necessary practice of a country's domestic laws and other measures.

Li concluded that today, when years had passed since the overthrow of colonialist rule in the world, some people were still trying to reinvigorate the so-called "human rights principle" of colonialist times, and that was why they were doomed to fail.

CPPCC National Committee To Convene 18 Mar *OW2102132792 Beijing XINHUA Domestic Service in Chinese 0946 GMT 21 Feb 92*

[Text] Beijing, 21 February (XINHUA)—Wang Renzhong, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee, presided over the 42d chairmanship meeting of the CPPCC National Committee this morning at Chairman Li Xiannian's request. The meeting examined and discussed matters concerning the convocation of the Fifth Session of the Seventh CPPCC National Committee.

The meeting decided to convene the 18th session of the Standing Committee of the Seventh CPPCC National Committee. It also discussed a "(Draft) Report on the Work of the Standing Committee of the Seventh National Committee of the Chinese People's Political Consultative Conference," and deliberated the "(Draft) Decision on Convening the Fifth Session of the Seventh CPPCC National Committee." The two documents will be submitted to the 18th session of the Standing Committee of the Seventh CPPCC National Committee for deliberation and approval.

It is reported that in the "(Draft) Decision on Convening the Fifth Session of the Seventh CPPCC National Committee," it is suggested that the Fifth Session of the Seventh CPPCC National Committee be open in Beijing on 18 March.

Other vice chairmen present at today's meeting were Fang Yi, Hong Xuezhi, Gu Mu, Yang Jingren, Kang Keqing, Wang Guangying, Zhao Puchu, Ma Wenrui, Qian Xuesen, Hu Sheng and Lu Jiaxi.

Article Views Party Building in New World Order

OW1502053492 Shanghai WEN HUI BAO in Chinese
7 Feb 92 p 6

[Article by Wang Huning (3769 3337 1337): "On the Development of the Ruling Party Under the New International Situation"]

[Text] Introduction: Comrade Jiang Zemin pointed out in his speech to the meeting marking the 70th anniversary of the founding of the CPC: The key to building socialism with Chinese characteristics is to improve the leadership of the Communist Party. Therefore, improving the CPC leadership has become a task of major importance in China's march toward modernization. China's socialist modernization is developing and intensify vigorously and has produced extensive and profound changes in Chinese society. At the same time, volatile international changes have again placed China in a constantly changing international situation. New changes in domestic construction and the international environment present a new strategic situation. Under this new strategic situation, the CPC as a ruling party is faced with new challenges and tasks. At a time when a new strategic situation is taking shape, any ruling party must make a correct assessment of the situation and face the challenges in a comprehensive manner in order to win a decisive victory. Today, developing the party itself, consolidating the party's leadership position, and enhancing the party organizationally have become the basic guarantees of China's socialist modernization. We must have a good grasp of the new strategic situation, sum up the party's historical experience and lessons, and develop and draw lessons from the party's historical experience under the new situation so the party will be able to exercise even stronger leadership in carrying out China's modernization.

I. Have a Good Grasp of the New Strategic Situation and Face the Challenges.

New changes in domestic construction and the international environment present a new strategic situation that includes the following four aspects: a redefinition of the party's strategic goals, strategic changes in social structure, drastic changes in the international strategic structure, and competition in overall national strength. The CPC has experienced several changes in the strategic situation, and each time it has made new strategic choices and implemented new strategic construction. This is one of the experiences that have enabled the CPC to achieve success.

The strategic situation here refers to the overall situation that encompasses various internal and external factors faced by a society at a given time. It involves not only the decisive factors that compose the overall situation that a society faces in its development but also the general trend of changes in these factors. A society must have a clear understanding of these factors when it adopts its development strategy, and so must a political party when

it adopts its governing strategy. The new strategic situation facing our nation consists of domestic and international factors. Some of these factors are our intentional, conscious strategic choices while others represent the process of objective and involuntary social movement. This new strategic situation encompasses the following four basic aspects:

1. The ruling party redefines its strategic objectives. The Third Plenary Session of the 11th CPC Central Committee redefined the new strategic objectives of our party by shifting the emphasis of its work to socialist modernization. This is a major strategic decision in which the party shifted its strategic objectives from "taking class struggle as the key link" and "continuing the revolution under the dictatorship of the proletariat" to socialist modernization. This shift in strategic objectives represents a change in the emphasis of party work since 1957 and has led to profound changes in the party's strategic tasks, ideological line, work style, organizational functions, organizational structure, and leadership style. This shift, the most important and most fundamental factor of the new strategic situation, is an intentional choice by the party. With constant progress in modernization, the steady incorporation of the Chinese economy into the international economic system, and imbalances triggered by the modernization drive, the party must vigorously respond in order to push forward modernization, and exercise constant leadership over the modernization process in order to eventually achieve its strategic goals.

2. The social structure has undergone strategic changes. The social structure refers to the basic structure of relations between the various sectors of society, while strategic changes mean macroscopic transformation. Strategic changes are propelled by two forces. The first force is the reform program carried out by the party for realizing strategic goals, such as rural and urban reforms, and economic and political structural reforms. These reform programs involve a wide spectrum of China's existing social structure. The second force is change caused by movements of various forces in the course of reform. These changes occur as a result of reforms in certain established relations and systems, such as relations between the central and local authorities, among local authorities, and between economic and political sectors. Changes in the social structure are manifest in the abolition of the old and substitution with the new at various levels of socioeconomic, political, administrative, and cultural relations. Judging from the current stage, changes have been introduced mainly in the economic sector. For example, the following three major changes have taken place in the economic system and structure since the introduction of reform: the relatively unitary public ownership structure has been replaced by a diverse ownership structure, with public ownership as the predominant form; the relatively simple distribution system has been replaced by a system with pay according to work as the main form and supplemented by other distribution forms; and the overly centralized economic planning system has been replaced by an economic

system and operational mechanism which combines economic planning with market planning. Under the new strategic situation, the strategic changes of Chinese society, characterized by large-scale social transformation and development, have posed a severe task to the party, that is, how to carry out effective regulation and control for bringing about a balanced and stable transformation of the social structure so as to lay a solid social framework for modernization.

3. Drastic changes occur in the pattern of international strategy. The unprecedented changes in the pattern of international strategy since 1989 have changed the basic strategic pattern and the balance of forces formed after World War II. It is safe to say that the current international situation is turbulent and unstable and that the world in recent years is experiencing tremendous changes, unpredictable fluctuations, and rapid disintegration as demonstrated in such events as the disintegration of Eastern Europe, the reorganization of Western Europe, the rise of the Asian-Pacific countries, intransquility in Latin America, the disintegration of the Soviet Union, domestic problems in the United States, the Gulf war, mutinies in African states, North-South imbalance, and East-West contradictions. The changes in the pattern of international strategy exert direct and indirect influences on the process of China's modernization, which requires a good international environment to ensure stable progress in its domestic development and a healthy expansion in international exchanges during its continuing process of opening up to the outside world. The rapid changes in the pattern of international strategy lead to an unstable international environment in which China undergoes its modernization. Regional conflicts and war flames may disturb a peaceful environment essential for China's modernization. Severe ideological struggles in the international community will create obstacles on a road along which China marches toward the world. The irrational international economic order has put China, a developing country, in an unfavorable position in international economics. The change in the relations of the West (as marked by the disintegration of the Yalta system) has exposed China to severe challenges and brought about noneconomic pressure. All these factors necessitate the CPC to take more resolute, flexible, and forceful actions.

4. The competition of overall national strengths becomes a focal point of new strategy. Competition in the modern international community, in the final analysis, is one of overall national strengths. China's modernization drive is aimed strategically at quickly changing its unfavorable situation in the competition of overall national strengths so as to enable it to take a firmer stand among the nations of the world. The process of modernization—or indeed, the success of modernization—hinges upon the ability to increase the overall national strength in a rapid, stable, and solid manner. The competition of overall national strengths in the contemporary era differs from that in the old days, with a strategic focus on scientific and technological competition. Competitive

factors in the old days, such as economic, military, and political strengths, can be directly or indirectly turned into scientific and technological competition. Such competition, which constitutes the most important index of modernization, is a global one. Contemporary science and technology have gained their position as the "first productive force." Scientific and technological progress challenges those up-and-coming modernizing countries in concentrating forces, making unified plans, and shortening the gap as soon as possible. The challenges posed by the rapid progress of science and technology toward the modernization of a country are direct and potentially far-reaching. Such challenges undeniably have become an environment for the strategic development of all countries. Scientific and technological competition necessitates more knowledge, intelligence, and professional skill. It also requires a political leadership better suited to changes and orchestrated in a scientific way.

The four aspects mentioned above summarize the current situation of the new strategy. It is this situation in which the CPC—the party with a history of 70 years and a ruling experience of 40 years—exists. Each political party, while encountering a new strategical situation, must undertake its own construction and development in a bid to achieve its political goal in a changed strategic circumstance. By the same token, the CPC, which has experienced a few of changes in the strategic situation in the course of its history, has made a new strategic choice and undertaken new strategic construction whenever facing a new challenge. This accounts for one of the reasons why the CPC has achieved its successes.

II. Define Strategic Objectives and Improve Mechanisms

There is a double task in party building in the new strategic situation: One task is to define and strive to achieve the strategic objective of "quadrupling the gross national product by the end of this century and making China a moderately developed country by the middle of the 21st century," and the other is to design and improve various mechanisms for the ruling party to ensure that the party will successfully achieve the strategic objective. The task in designing and improving mechanisms is particularly important.

The new strategic situation has set new requirements for the ruling party in building itself. How a ruling party further builds itself in a changed social environment is of strategic significance for the party. Throughout its history, the CPC has always attached importance to deciding its strategic objectives according to the developing situation. In "The Chinese Revolution and the Chinese Communist Party" and his other works, Mao Zedong made typical analyses in this regard. After grasping the strategic situation, we are faced with a double task: One task is to define our strategic objective in the new strategic situation and unswervingly strive to achieve it; the other is to design and improve various mechanisms for the ruling party according to the new strategic situation and the requirements of the strategic

objective in order to ensure that the party will successfully achieve the strategic objective.

On the strategic objective, the party Central Committee has clearly called for quadrupling the GNP by the end of this century and making China a moderately developed country by the middle of the 21st century. Comrade Deng Xiaoping pointed out: "This is our strategic objective." According to this strategic objective, the party laid down the basic line of "one center and two basic points." Party building should be undertaken with a view to achieving the strategic objective. Therefore, this calls for having a firm and clear-cut political orientation in order to ensure that the party's pursuit of the strategic objective will steadily progress and that the whole party will strive to achieve the strategic objective as its central task. The party should create conditions needed for realizing the strategic objective according to the changed situation at home and abroad and remove factors interfering in our efforts to achieve the strategic objective; it should make all favorable conditions available for the accomplishment of the strategic objective; the party should lead the modernization drive and have the overall situation well in hand. The role of the party is to promote and lead the modernization drive in society, not to be brought along by the progress of modernization; to make a clear and penetrating analysis and judgment of complicated changes in the social structure and formulate scientific and rational policies on the basis of such analysis and judgment in order to achieve tremendous success; to effectively implement policies throughout the country and use policy regulation as a powerful lever for the promotion of social development; to promptly cope with any changes in the international situation and hold a secure position in the rapidly changing international environment from which to promptly deal with the changing international community and to maneuver freely in the community; to mobilize and organize all social forces to accelerate the process of achieving the strategic objective, engage in comprehensive international competition, quickly narrow the gap between China and developed countries, and turn such competition into an impetus to social development; to cope with extra-economic pressure [chao jing ji de ya li 6389 4842 3444 4104 1090 0500]—that is, political, ideological, or social pressure—from home and abroad and ensure the stability and development of systems in the party and state; and to use the art of politics and leadership in a superb and flexible manner to handle various changing and complicated relations and organize versatile forces to create superb power and political art.

The new situation sets higher requirements for mechanisms. Some of the requirements are directly set by the new strategic situation, and others are set by the strategic objective. The requirements for the building of the ruling party are particularly important and need to be rational. The new strategic situation calls for instituting the following mechanisms for party building:

There should be a mechanism that can contain and call forth tremendous capacity. The party must have adequate capacity to exercise its functions. Particularly in the new strategic situation, the party should bring its existing capacity into full play and concurrently expand its capacity. In so doing, there must be a system and mechanism; only in this way will the party be able to persistently bring its capacity into full play. There should be an mechanism for a high degree of unified and coordinated organization. The CPC is an exceptionally large organization, whose scale is seldom seen in the world (a membership of 50 million amounting to the population of a medium-sized country). This particularly calls for unification and coordination in organization.

General theory on organization holds that the difficulty in achieving organizational unity and coordination is directly proportional to the scope of organization. Devising a set of powerful and effective mechanisms to achieve this goal is of paramount importance under the new strategic situation.

A democratic mechanism should be instituted to accommodate the demands of social development and to channel various social interests, demands, expectations, and judgments to the policy-making apparatus. The new strategic situation can lead to a division of interests, an increase in demand, differences in judgment, and divergences in analysis. The absence of appropriate mechanisms will make it impossible to comprehensively and completely synthesize these factors, affecting the way the ruling party analyzes and decides on strategic matters.

A scientific mechanism should be established to make and promote policy. The new strategic situation has imposed numerous demands on the party in the economic, social, cultural, scientific, technological, and international spheres. The handling of these demands requires superb political art and, to a greater extent, correct judgment that is professional and knowledgeable. Hence, more scientific logic and know-how should be injected into the policy-making apparatus, and the functions of such logic and know-how should be kept under reasonable control.

A mechanism should be instituted to rejuvenate the pool of personnel. Under the new strategic situation, the party should rejuvenate the mental faculties and abilities of its current members, in addition to expanding and extending its own organizational structure. The party's mechanism for personnel affairs should be capable of functioning continuously in institutionalizing the strategic goals. A well-developed mechanism is essential to renewing and reinforcing the pool of personnel under a situation of drastic changes.

A regulatory mechanism should be set up to effectively keep society in balance. The process of modernization has introduced a transitional period for society, a period of division and integration for the social structure and various social interests, and a period that is susceptible

to instability. The party shoulders the formidable task and function of regulating and balancing social development. Therefore, an effective mechanism should be instituted to regulate and balance relations between the government and the party and those among various social sectors. This will assure results that are twice as large as the efforts expended in regulating and balancing various social interests.

During the process of modernization, the ruling party is affected by various social factors and influences, and its organizational apparatus suffers under the onslaught of negative internal and external factors. An exceptionally large political party cannot maintain its purity, solidarity, unity, and authoritativeness without a powerful and effective control mechanism—a mechanism whose importance became more evident following the party-wide effort to mobilize party members to join the process of modernization. The mechanism ensures that the party will achieve its various goals and will satisfy various demands.

III. Sum Up Historical Experience, Carry Forward the Cause, and Forge Ahead Into the Future

From the party's strategic arrangements for the various periods, we can find some common, empirical characteristics. These characteristics can be summarized as follows: a high degree of cohesion, rich creativity, high combat effectiveness, dynamic magnetism, strong unifying power, and rigorous self-control. Under the new strategic situation, one of the major tasks in party building is to promote the party's valuable experience. The aforementioned characteristics serve as a set of standards for appraising party building.

Summing up and carrying forward the party's historical experience is even more important under the conditions of the new strategic situation. The new strategic situation tells us that China is carrying out its modernization under a situation where international contradictions have become even more acute, political struggles have intensified, domestic tasks have become even more formidable, China finds itself at a greater competitive disadvantage, social resources are even more inadequate, and social pressure has become more severe. The experience the CPC has accumulated and summed up in political struggles and social construction over the long years constitutes one of the most valuable political and social resources. As long as we fully understand, develop, and utilize these resources, the goal requirements and mechanism requirements as mentioned above will be successfully developed and the party will remain invincible and capable of exercising steady and effective leadership in pushing forward the great cause of China's reform and opening up.

During its course of development, the CPC has experienced changes in the strategic situation several times—including the period when the CPC was founded (1919-23), the period of the First Revolution (1923-27), the Agrarian Revolutionary War (1927-37), the War of

Resistance Against Japanese Aggression (1937-45), the War of Liberation (1945-1949), the periods of the socialist transformation (1949-56) and socialist construction (1956-66), and the period of socialist modernization (1976-). The constituent factors that compose the strategic situation facing the party vary in different periods. Therefore, it is necessary to make a correct assessment of the situation, choose strategic goals, make strategic readjustments, and devise a strategy and policy. The party has, in different periods, adopted varying, specific strategic arrangements to adapt itself to the changed strategic situation. From these strategic arrangements for the various periods, we can find some common, empirical characteristics. These characteristics—they are also principles—are the essential guarantees for the party to vanquish the enemy and achieve successes. Theoretically, they can be summarized as follows: a high degree of cohesion, rich creativity, high combat effectiveness, dynamic magnetism, strong unifying power, and rigorous self-control. The fundamental trait of these characteristics, which finds expression through different contents under different strategic situations, always remains. Therefore, under today's new strategic situation, one of the major tasks in party building is to promote these characteristics and apply them as a set of standards for appraising party building.

A high degree of cohesion means the high degree of unity achieved by the party system in the form of strong capabilities and organizational mechanisms of party organizations. At the same time, it also means that the party has the maximum cohesive capacity to influence society, and it can bring all social forces and social resources under its control, unify its thinking and action, make its policy decisions known to all levels, and have all its members work hard together to attain its strategic objectives.

Rich creativity means that the party can put forward new ideas and formulate new thinking to deal with constantly emerging problems and new circumstances. Under the new strategic situation, creativity is an ability which is indispensable to the party's efforts to strengthen its leadership. Modernization is a process of constantly changing the old structure and old relations, and it is also a process of constantly balancing unexpected new difficulties and contradictions. If the party does not have rich creativity, it will be unable to win by a surprise move, nor will it be able to remain as calm as "taking a leisurely walk in the yard" when dealing with complex conditions. Such a truth has been repeatedly proven in the course of China's reform and opening to the outside world. We are carrying out unprecedented reforms, such as reform of the old economic structure, integration of planned economy with market regulation, establishment of special economic zones, formulation of the "one country, two systems" concept, opening to the outside world, and changing the social structure. All these reforms must rely on the party's rich creativity to succeed. In order to have rich creativity, we must pool the wisdom of the party and society; and in order to do so effectively, we should have

an adequate mechanism. Modernization will constantly put forward new objectives, blaze new trails, and enter new areas. The changeable international structure will continue to provide new challenges, create new environments, and bring about new conflicts. If the party does not have rich creativity, it will be unable to accomplish socialist modernization promptly.

High combat effectiveness means that the party has excellent leadership and work abilities and can effectively attain its strategic objectives. The combat effectiveness of a political party includes the combat effectiveness of the whole and the combat effectiveness of individuals. The combat effectiveness of the whole derives from the combat effectiveness of individuals, and is greater than the sum total of the combat effectiveness of all individuals. Therefore, all party members must keep improving their own political quality, ideological understanding, and vocational skills, so as to take up the challenge under the new strategic situation. Combat effectiveness is an important requirement for the party to exercise political leadership and promote modernization. In order to develop a high combat effectiveness, the party must have a sound organizing mechanism, recruit outstanding people, constantly train a contingent of cadres who have both ability and political integrity, and create a dexterous command authority. Under the new strategic situation, it is an important task for the party to keep enhancing its combat effectiveness.

Dynamic magnetism means that the party can be identified with by the people, have their support and enjoy unmatched prestige among them. In various periods of the past, the Communist Party of China had a dynamic magnetism. Magnetism, an important requirement for the party to exercise political leadership, derives itself from many things, such as clear and definite strategic objectives, a firm political line, a selfless spirit of sacrifice, and lofty programs of struggle. It is composed of such elements as cohesion, creativity, combat effectiveness, unifying power and self control. Only when the hundreds of millions of people are united around the party will the party be invincible. To a government party, utter devotion and the principle of working for the interests of the people are the foundation of dynamic magnetism. The party is moving and inspiring the people with its ideals—the ideal of attaining the three-stage strategic objectives of socialist modernization, and the communist ideal of wiping out the exploitation of man by man, abolishing private ownership, and achieving equality and freedom among all the people. Magnetism comes from the government party's excellent political leadership; from its universally acknowledged achievements, from its profound analysis and forecast of the strategic situation, and from its down-to-earth, selfless struggle. The new strategic situation has given a new challenge to the party. The party will enhance its magnetism in the course of meeting the challenge.

Highly efficient unifying power means the capability of the party to solidly regulate and control various aspects

of society for achieving a proportionate development of the entire society with a harmonious, balanced, unified and coordinated mechanism. As a party in power, the CPC should no doubt perform the primary function of unifying society through both direct or indirect means. Without a strongly unified society, it will be difficult for the party to realize its strategic measures with efficiency. The unifying power hinges upon the party's effectiveness in properly handling various relations, such as the relations between the party and the government, between the party and enterprises, between central and local authorities, between the party and society, between the party and the people, and so on. A rational alignment of these relations depends, on the one hand, on the party's ideological and political line and theoretical blueprints and, on the other, a complete set of rational and scientific systems. The process of modernization is, in a sense, a process of substituting the old alignment with the new. Forces released by modernization will constantly affect the mechanism of old alignment and generate more relations, forces, and elements. Hence, the party should unify these relations, forces, and elements with a new ideology, systems, and mechanisms in order to guarantee a stable and orderly development of society. Under the new framework and structure, the party should bring into full play its effective mechanisms for achieving unity—such as practicing democratic centralism, forging close ties with the masses, and forming a united front—while developing new mechanisms for achieving unity. Without comprehensive and sound mechanisms for achieving unity, it is impossible for the party to exercise strong and effective leadership.

Rigorous self-control means the capability of the party to exercise rigorous control over its organization and enforce its political and organizational discipline. As an extra large party in power, the CPC is required even more to have such a capability for self-control and faces a still more arduous task of self-control. The capability of self-control will ensure that party organizations at all levels and all party members do not violate the party's basic norms and principles; conscientiously implement the party's line, principles, and policies; and faithfully abide by the party's objective. This task is especially outstanding today because in the process of modernization, the CPC as a ruling party is affected by different elements, such as political and ideological trends of all shades, ideas of commodity economy, money worshiping, pleasure seeking, and individualism. The workstyle of the ruling party is an issue concerning its very survival, especially under the strategic situation. In order to build up its capability of self-control, the party should establish and develop comprehensive mechanisms for supervision both inside and outside the party.

The aforesaid characteristics are interrelated and complementary to each other. Each characteristic hinges upon the other characteristics and only their totality can strengthen the party's overall capability. Comrade Mao Zedong pointed out a long time ago: "It is an extremely difficult task to make several hundred million Chinese

people become well off and to build an economically and culturally backward China into a strong, prosperous, and highly educated nation" ("Speech At a National Propaganda Work Conference of the CPC"). The CPC has undertaken the responsibility to fulfill this arduous historic task. This historic responsibility requires the party to intensify its construction and development under the new strategic situation so that the party can become more powerful and effective in leading and promoting the modernization drive in China.

Economic & Agricultural

Article on 'Making Correct Use of Capitalism'

HK2402063392 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 24 Feb 92 pp 1, 4

[Article by Fang Sheng (2455 3932): "Opening Up to the Outside World and Making Use of Capitalism"]

[Text] All of modern Chinese history has already drawn the conclusion that China can only take the socialist road, not the capitalist road. At the same time, the modern history of the world also indicates to us that economically underdeveloped countries, especially those which have been subjected to a long period of feudal rule, can only grow and prosper by making correct use of capitalism, not totally renouncing capitalism, and by critically absorbing and not categorically rejecting things in Western culture which could be useful to us.

In terms of our country's economic construction, making use of capitalist things which are useful to us includes developing foreign trade; making use of foreign capital; importing advanced technology and experience in scientific management; bringing in all kinds of professional experts; absorbing certain views, models, and methods from contemporary bourgeois economic theories which are useful to us; and even borrowing certain economic policies and legislation from capitalist countries which reflect the laws of reality. These include, among other things, valuable wealth created jointly by mankind which is available to all countries, in particular, great scientific and technological achievements, rich experiences accumulated over the years by capitalist countries in the development of the commodity economy, and all kinds of effective measures suitable to the needs of socialized mass production. All of these may be boldly applied by socialist states. Using capitalism also means adequately developing the capitalist economy inside China as a useful supplement to the socialist economy. In the initial stage of socialism in our country, capitalism cannot be totally eliminated yet and the incidence of exploitation will remain for a while. Therefore, the important thing is to be adept in offering guidance and to steer it onto a track sanctioned by policy.

We have had a process of understanding concerning the utilization of capitalism. There was a time, before the Third Plenary Session of the 11th CPC Central Committee, when the extremely important nation-building

policy of independence and self-reliance was pitted against opening up to the outside world and when the introduction of advanced Western technology was regarded as a slavish comprador philosophy. There was opposition to the use of foreign capital, as it was held that the absence of internal and external debts was a manifestation of the superiority of socialism. There was a refusal to learn from Western experience in scientific management; objections to sending personnel on inspection and study tours to the West; an unwillingness to engage in international economic and technological exchanges, and others. Obviously, this strategic guiding ideology, which sought to carry out economic construction by relying only on existing capital, resources, technology, and markets inside the country, was self-enclosure from the outside world.

With the strategic policy of opening up to the outside world and invigoration within the country as formulated by the Third Plenary Session, our country has shifted from a closed economy to an open one. Foreign capital may be used in cases of capital shortage; foreign imports can be brought in, in the case of a lack of resources or technology backwardness; foreign management experiences may be borrowed if there is insufficient economic management experience; certain products may be manufactured and exported to earn foreign currency by complying completely with market needs; and more open policies may be implemented in certain defined regions. This shift has been marked by the presentation of this central guideline: We should make full use of domestic and international resources, open up domestic and international markets, and learn how to organize domestic construction and develop foreign economic relations. This guideline enabled us to acquire a more comprehensive understanding of the fundamental question of how to build socialism with Chinese characteristics. Similarly, it also gave us a new understanding of the question of how to deal with modern capitalism.

Some economists in the West classify the economy of a country based on social system. In their opinion, an open economy is the trademark of a capitalist economy, while a closed economy is that of a socialist economy. This is a distortion of the socialist system. Some people even attack socialism by exploiting certain shortcomings and errors in the work of socialist states. The tortuous path that we have taken in the past, that of closing ourselves to the outside world and refusing to make use of capitalism, was caused by many factors, notably by "leftist" errors, and had nothing to do with the socialist system. On the contrary, in so far as principles are concerned, the socialist system is an open system while the socialist economy is also an open economy. Socialism can only develop by strengthening links with the outside world, expanding foreign exchanges, absorbing useful things from the countries of the world, and learning from the positive and negative experiences of others in the course of their development. In this connection, Marxism, as a scientific body of ideas, grew out of its critical absorption of various ideological trends in history. Marxism is also an open ideological system.

The understanding of the people not only goes through a process of gradual upgrading, but also of repetition during this process. At the same time, once the old contradictions in understanding are resolved, new ones appear. These are all normal phenomena from the perspective of the dialectical law of ideological development. The same is true with people's understanding of the question of utilizing capitalism. Today, it should be said that our understanding of questions like whether or not to make use of foreign capital or import technology have been resolved fundamentally, with very few dissenting views. But there appear to be differences on certain other issues and, hence, the need for further examination.

The first problem is whether or not there is anything worth borrowing from the economic policies and legislation pursued by capitalist countries. This has to be assessed concretely. Generally speaking, the policies and laws of a country reflect the aspirations of that country's ruling class. The policies and laws of a capitalist country are formulated by the bourgeoisie for the purpose of defending their own interests. Many of these policies and laws are detrimental to the workers and other working people and are therefore opposed by the working class. An example is capitalist policy and legislation on taxation. On the other hand, certain policies and laws which are beneficial to the development of productive forces in society because they reflect the laws of social development at varying degrees should not be lightly ignored. Rather, they should be seriously studied, and, if they are suitable to our country's conditions, they should be adopted or consulted. For instance, several centuries ago, capitalist countries established different forms of special economic zones (SEZ's) under different names in line with their own need to open up to the outside world. This was an important policy taken to promote economic and trade exchanges with various countries as well as boost their own economic growth. It should be used as a reference in our country's effort to build SEZ's. When the central authorities approved the building of a SEZ in Xiamen, they asked the Xiamen SEZ to carry out certain policies as a free port. However, we had neither adequate experience or knowledge regarding a free port and its policies. On the other hand, not long after it occupied Hong Kong, the British authorities there immediately declared Hong Kong a free port. This was one fundamental policy pursued by the British authorities in Hong Kong and we should undoubtedly borrow from their experiences in this area. Similarly, the economic rules and regulations of capitalist countries should be treated with discrimination. In truth, many of the economic regulations in our country, such as foreign-related economic laws, were drawn up in consultation with the relevant laws in the West. It is not a scientific attitude to reject blindly without discrimination the policies and laws of capitalist countries.

The second problem is whether something can be absorbed from modern bourgeois economic theories for reference. The development of bourgeois economics is

divided into two periods: classical economics and vulgar economics. Classical economics emerged when the class struggle between the proletariat and the bourgeoisie was still latent or when only individual examples of this class struggle were seen. Therefore, it can portray some essential relations of things through observed phenomena and thus has rational and scientific components which should be inherited on the basis of criticism. However, vulgar economics emerged at a time when the class struggle between the proletariat and the bourgeoisie had become acute. It only describes the superficial relations of economic phenomena and in essence protects the capitalist system. Despite this, some of its useful viewpoints should be confirmed. Marx, of whom we know well, took this scientific attitude toward bourgeois economics. Modern bourgeois economics is the economics the monopoly bourgeoisie uses to oppose Marxism and serve the capitalist system at a time when the contemporary international workers movement and Marxist ideology is spreading widely and when capitalist economic crises are deepening. Its theoretical system is antiscientific and should be criticized. But we should understand that modern bourgeois economics also comprises something which portrays the objective law of large-scale socialized production. We should draw experience from this. Some of its viewpoints and analytical methods can also be taken for reference, such as its expositions on economic management, on improving economic results, on quantitative analysis, and on technological and economic problems. Even some modern bourgeois economic concepts, such as microeconomics and macroeconomics, can also be used in Marxist economics, with the exception of its concept of production relations. Complete, unanalytical negation of modern bourgeois economics is not beneficial to the development of science.

The third problem is whether capitalist methods are being used to display socialist strong points in China's current economic structural reform. The "capitalist methods" we talk about here obviously refer to reform measures such as the implementation of the contract system, the leasing system, the bid-tendering system, and the merger system, as well as the issuing of stocks. These measures are called "capitalist methods" because first, they were adopted to develop the commodity economy. In the past the commodity economy was equated with capitalism; therefore, these measures are regarded as capitalist. Second, long before the emergence of socialism, capitalist countries had practiced these measures. Thus, misunderstandings easily arise, which gives the impression that these measures belong to capitalism. As a matter of fact, if the methods used in capitalist countries were all labeled as capitalism and opposed, this would be as ridiculous as some people who wanted to demolish railroads left over from Czarist Russia after the October Revolution because they said they were bourgeois railroads. Third, all previous books on political economics classified the economic categories reflecting these measures and rules as something capitalist and regarded them as the means of capitalist exploitation.

Therefore, as time went by, people naturally thought in error that these belonged to capitalism. As a matter of fact, many so-called capitalist methods and measures have something of a neutral nature, as they have connections with the development of the commodity economy. They do not have a class nature and are applicable to both capitalist and socialist countries. If these measures and methods are regarded as "capitalist" and not adopted, it is like spinning a cocoon around oneself. It is not beneficial to the development of the productive forces.

The fourth problem is whether opening up to the world will be affected by capitalism and whether the socialist foundation will be shaken. There is a need to analyze "capitalist influences." If this refers to Western countries taking advantage of China's opening up and using the capitalist system and ideology to exert pressure on us, needless to say, we should counterattack and resolutely resist. But we "should not repel everything foreign when repelling something polluted." In resisting all sorts of influence, we should not simply shut our door. Since the door has been opened, it is impossible to close it again. Even if it is closed, others will find loopholes to enter. Giving up eating for fear of choking is not a way to solve problems. If "capitalist influence" refers to some people having blind faith in foreign things because of the introduction of foreign capital, advanced technology, and advanced scientific management, we are duty-bound to educate these people to overcome their wrong ideas. We should not, however, refuse the introduction of foreign capital and advanced technology because of this. Capital and technology themselves do not have a class nature. We should use them when needed and when possible. On the other hand, in carrying out contact with the West, we can find good morality, spirit, and style among the people of these countries; use others' strong points to offset our weak points; learn from each other; and improve together. In addition, most Western countries have fine cultural traditions, which are the crystallization of their people's labor and wisdom and components of the precious spiritual wealth of man. Exchanges with them enable us to benefit from them and enrich our culture. If these are regarded as "capitalist influences," these influences are positive and should not be negated. The fact is, we have always persisted in socialist orientation and resisted the negative influences of capitalism in formulating and implementing an open economic policy. This will help consolidate the socialist foundation instead of shaking it. If we unanalytically fear "capitalist influences" and return to the old road of the closed door, this could really shake the socialist foundation.

Capitalism is a very important historical period of human social development history. It has its own laws of emergence, development, and extinction. We should neither have blind faith in nor exclude this social formation. We should take a scientific attitude toward it, treat it seriously, and inherit in a discriminatory way. This is an expression of the Chinese nation's confidence. To put it more specifically, the correct understanding and application of capitalism is conducive to promoting China's

socialist modernization and human society and will help develop human civilization to a higher stage.

Hong Kong Paper Takes Note

HK2402004392 Hong Kong SOUTH CHINA
MORNING POST in English 24 Feb 92 p 1

[By Willy Wo-lap Lam]

[Text] Beijing has stepped up the pace of its reform drive by openly calling for the development of capitalism in China.

A signed commentary in the official PEOPLE'S DAILY [RENMIN RIBAO] yesterday called for the "correct" and "adequate" development of the capitalistic economy.

"The correct understanding and use of capitalism will benefit the modernization of Chinese socialism and expedite the progress of human society," the Communist Party mouthpiece said.

"Capitalism is an extremely important historical stage in the history of mankind's social development."

This is the first time since patriarch Mr Deng Xiaoping started the open door policy in late 1978 that Beijing has openly endorsed capitalistic practices.

The PEOPLE'S DAILY commentary, entitled "Opening to the Outside World and Making Use of Capitalism," argued that China would benefit from a broad spectrum of economic and other experience in the Western world.

Aside from foreign capital, technology and management expertise, the PEOPLE'S DAILY said China should consider copying "capitalistic economic policies and legislations [as published] that reflect laws of reality."

"Using capitalism also means adequately developing the capitalistic economy inside China, which will serve as a beneficial supplement to the socialist economy," the article said.

The word "capitalism" has since 1949 been considered taboo by the Chinese Communist Party, whose leftist leaders had slammed radical reformists like Mr Deng and former president Liu Shaoqi as "capitalist roaders."

Even in the heyday of reform in the mid-1980s, such Deng proteges as former party chiefs Mr Hu Yaobang and Mr Zhao Ziyang had merely used euphemisms like "market mechanisms" and "the commodity economy".

Chinese sources said this dramatic turn in the development of reform was the climax of political manoeuvres masterminded by the past month or so by Mr Deng and other moderate leaders in Guangdong and Shanghai.

Equally important, the PEOPLE'S DAILY which until recently had been the mouthpiece of the conservative faction of the party, yesterday attacked hard-liners who blindly rejected the beneficial aspects of capitalism.

"It is not a scientific attitude to reject without discrimination the policies and laws of capitalistic countries," the paper said.

The article also denied the charges by central planning-oriented cadres that using capitalistic policies might hasten the death of socialism.

"If we simplistically fear 'the effects of capitalism' and repeat the past mistake of closing the door, this will really shake up the foundation of socialism."

"We should emulate from different countries in the world whatever experience that is useful," the NCNA [NEW CHINA NEWS AGENCY—XINHUA] said.

In an unprecedented move to dramatise "inner-party unity", the NCNA piece listed the opinions on reform given by leaders in recent weeks.

All those cited endorsed Mr Deng's recently enunciated doctrine about being "bold" in pushing fast-paced reform.

Papers Emphasize Economy, 'Reformist Focus'

HK2202080192 Hong Kong AFP in English 0740 GMT 22 Feb 92

[Text] Beijing, Feb 22 (AFP)—China's reformists took center stage Saturday with the PEOPLE'S DAILY [RENMIN RIBAO] declaring that economic development should take priority over political ideology.

"We must carry out the three great tasks of continuing to develop the economy, strengthening party construction and protecting social stability.

"Among them, doing our economic work well and developing the economy is the most crucial and most important," the Chinese Communist Party mouthpiece quoted General Secretary Jiang Zemin as saying.

A front-page editorial carried a warning apparently aimed at hard-line ideologues saying, "We will not allow disruption of or divergence from this focus (on economic development)."

Hard-line communists came to the fore after the June 1989 suppression of the Tiananmen Square democracy movement, launching an ideological crackdown that slowed down economic reforms advocated by disgraced party leader Zhao Ziyang.

Earlier this month, reformist standard-bearer Deng Xiaoping issued new directives for a return to faster economic development after he made an inspection of China's prosperous, free-wheeling south.

The newspaper editorial quoted the 87-year-old senior leader as saying that the survival of Chinese socialism depended on using economic development to convince its doubters.

"The final convincing argument for those who have no faith in socialism depends on real economic development," he said.

Jiang transmitted Deng's orders for a return to faster economic reform in a Politburo meeting two weeks ago.

Deng, who is officially retired, opened China's doors to the outside world in 1978 with his "reform and opening" policy.

In a front-page article Saturday, the intellectual newspaper GUANGMING DAILY [GUANGMING RIBAO] published quotes from Jiang and a dozen other Chinese leaders on the subject of "Liberalizing Thought, Deepening Reform, Expanding Opening."

The return of a reformist focus represents a victory for moderates ahead of the Communist Party's 14th congress, which will elect a new leadership late this year, observers said.

Economic Construction Stressed

HK2202051192 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 22 Feb 92 p 1

[Editorial: "Adhere Better To Taking Economic Construction as the Center"]

[Text] At the beginning of the Lunar New Year, General Secretary Jiang Zemin pointed out: This year is the second year for implementing the 10-Year Program and Eighth Five-Year Plan. It is necessary to unwaveringly carry out the party's basic line in a comprehensive way, to implement the spirit of last year's central work meeting and the Eighth Plenary Session of the 13th CPC Central Committee, and to continue to do a good job in the three major matters of developing the economy, strengthening party building, and safeguarding social stability.

The most crucial and important matter is paying close attention to economic work and economic development. Our party's basic line is taking economic construction as the central task. Since the Third Plenary Session of the 11th CPC Central Committee, "taking economic construction as the central task" has blazed a vigorous development road for our country, and we have made tremendous progress in economic construction. In the face of changeable international storms, our socialist cause is full of vitality. With the implementation of this basic line, the Chinese nation will certainly achieve its target of endeavor. At present, our economy is comparatively backward, and there is still a big gap in comparison with advanced world levels. We should be sober-minded on this and work in an earnest and down-to-earth manner to make faster development in our economy in this new year.

Marxists are most particular about developing the productive forces. Socialism as superior to capitalism finds expression in the broad prospects it provides for the full development of the productive forces. If we cannot

achieve this end, our socialism will be less convincing. Only when we develop the economy at a faster rate, improve our comprehensive national strength, and raise the people's standard of living, will the large number of masses become firmer in their confidence in socialism and will we be able to resist peaceful evolution more effectively. All other problems will also be solved more properly. Comrade Deng Xiaoping said: Upholding socialism "is a process of struggle and a process of education as well, but the final persuasion for those who do not believe in socialism is our development. If we can reach the level of a comparatively better-off life within this century, we can make them a little sober-minded. When we build China into a socialist country of an intermediate development level in the next century, we will go much further in convincing them, and the majority of them will really understand they are wrong." Therefore, the fundamental point for upholding socialism is developing the economy as fast as possible. Viewing the excellent situation at present and looking back at the serious setbacks and catastrophes caused by "taking class struggle as the key link," we will understand more deeply that "taking economic construction as the central task" corresponds with our national conditions, conforms with popular feelings, and is a truth which makes the country strong and the people prosperous. We must carry out the basic line of "one central task, two basic points" in a comprehensive way, hold firm to economic construction, and not allow any interference or violation of this central task.

Of course, it is also quite important to strengthen party building and preserve social stability. This should not be relaxed in the least. Improving party organizations is a guarantee for implementing the party's basic line; the purpose of preserving social stability is to create a fine environment for economic construction. All this serves economic work. We should make overall arrangements around the central task, learn to play the piano [Mao Zedong's idea of using all 10 fingers and not just one to complete a task], and make a success of all work to ensure the smooth carrying out of economic construction.

In promoting economic work, leading cadres should go to the forefront of trades and undertakings, including industry, agriculture, and commerce, to carry out study and investigation and to solve problems. In particular, they should make efforts to solve key problems with important bearing on the overall situation. During last year's combat against floods and provision of relief aid, many leading cadres went to the forefront to give guidance. This was well received by the masses. This spirit should be energetically carried forward. Only by going to the forefront will leading cadres understand where key problems lie and will they be able to make prompt and correct decisions, form close links with the masses, and boost the enthusiasm of grass-roots cadres and the masses. Formalism must be resolutely stopped. Economic work is of a specific and practical nature. In economic work, it will not do to sit back and talk about

theory or to engage in impractical work. We should really do solid work, devote our efforts properly, and work in a down-to-earth manner to make practical achievements.

In this new year, let us hold firm to the central task of economic construction, adhere to the four cardinal principles, expedite the pace of reform and opening up, and produce outstanding results in economic and all other work to usher in the 14th party congress.

'More Daring' Reform, Opening Urged

OW2302181192 Beijing XINHUA Domestic Service
in Chinese 1509 GMT 23 Feb 92

["Full text" of 24 February RENMIN RIBAO editorial:
"Be More Daring in Carrying Out Reform"]

[Text] Beijing, 23 Feb (XINHUA)—At a time when the world is so changeable, the key requirement is to manage our own business properly. This has become a common understanding among people throughout the country.

To manage our own business properly, the most important thing to do is boost our economy, and to boost our economy, we must continue to carry out reforms and opening up to the outside world. Today, we should be even more daring in carrying out reforms and opening up to the outside world, and the pace in our reform and open programs should be quicker so that the pace of our economic development can be even faster.

Since the Third Plenary Session of the 11th CPC Central Committee, the outlook of our country has undergone tremendous changes which have caught worldwide attention. This is the result of our reform and open programs. When we compare the situation of the past decade or so and the situation of the several decades before, and when we compare China's situation with the situation in some other countries, we can become more deeply aware that China must follow the socialist course and continue to carry out reforms and opening to the outside world. Our only choice is to make our socialist system even more perfect through reform and opening up to the outside world. There is no alternative.

Our proposal that we should be more daring in carrying out reforms and opening to the outside world is based on our correct judgment of our situation today. Because of our hard work in the past three years or so, we have basically accomplished the main assignments of improving the economic environment and restoring economic order. Improving the economic environment and restoring economic order on the one hand and deepening reforms on the other are a dialectical unity. If we did not improve the economic environment and restore economic order, our reforms would not be able to proceed smoothly.

During the period of improving the economic environment and restoring economic order, we made relatively big strides in reforms. Now, after we have accomplished

the assignments of improving the economic environment and restoring economic order, we should give priority to deepening reforms, and we should make bigger strides in carrying out reform and opening to the outside world.

Today China enjoys political, economic, and social stability. Meanwhile, after more than a decade, we have accumulated many experiences in carrying out reforms and opening to the outside world. We have drawn up a series of general and specific policies, and the new structures in many areas have been clearly outlined. Moreover, people have also become more aware of—and also more receptive to—the need to carry out reforms and opening to the outside world. All these factors have facilitated quicker reform and openness.

We should be more daring in carrying out reforms and opening to the outside world. This means we should be more daring, more resolute, and more practical in implementing the general and specific policies adopted since the Third Plenary Session of the 11th CPC Central Committee, and in implementing those measures proven to be effective for reform and openness. We should stop empty talk, do more practical work, and carry out policies resolutely. We should not assume that we can solve those problems we understand, or accomplish those projects that have been decided upon. To reach the anticipated objectives, we must have adequate resolution and gumption, and we must work hard and do meticulous work.

During the process of carrying out reform and opening to the outside world, we still will encounter many new problems. To solve these problems, we must explore with daring and not simply count on our conventional ways. This requires us to further emancipate our minds and dare to explore, to act, and to do what others have never tried.

More often than not we cannot be sure of success when we do what other people have never tried. Practice is the only criterion for examining truth. For things we ought to do but about which we are not sure of success, we should carry out experiments courageously instead of avoiding them. We cannot possibly learn how to swim if we refuse to go into the water, and we cannot possibly know if an idea is sound if we do not test it. When we test something, we certainly want it to be successful; but we should also be ready for failure. If our test succeeds, we will popularize it; if it fails, we should make corrections. While we should not feel discouraged, other people should also not be critical. We should support and cherish those innovators who dedicate themselves to reform.

Some comrades may not be readily used to, or understand, those new things appearing during the course of reforms and openness. But they will catch up after these things have been put into practice and after they have been educated and enlightened by facts. We should count on education based on practice, and should not

engage in empty arguing. [Beijing XINHUA Domestic Service in Chinese at 1559 GMT on 23 February transmits a service message adding the following sentence] Just as Comrade Deng Xiaoping has said, we should emancipate our minds, seek truth from facts, and look forward in unity.

We have said before that the four cardinal principles are the foundation of our country, and reform and openness are the way to building a stronger country. Guided by the party's basic line, let us now proceed more courageously on the way to building a stronger country and along the course of socialism with Chinese characteristics!

Leadership Calls for Reform, Opening Up Reviewed

OW2202101192 Beijing XINHUA in English
0946 GMT 22 Feb 92

[Text] Beijing, February 22 (XINHUA)—China will take ever larger strides toward reform and opening to the outside world this year.

This is what the senior leaders of the country have been emphasizing again and again since the end of last year.

Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), said in his Spring Festival speech that faster steps should be taken to deepen the country's reform of economic and political structures.

Chinese President Yang Shangkun said early this year that people should further liberate their minds and be bolder in reforms.

Chinese Premier Li Peng said recently that the country will accelerate its reform and opening to the outside world after the nationwide campaign of rectifying the economic order and improving the economic environment is completed.

Other senior state officials including Wan Li, Qiao Shi, Yao Yilin and Li Ruihuan have also announced that the country should achieve a higher speed of economic development through reform and opening up to the outside world.

People at all levels commonly believe that the country will adhere to the policy of reform and opening to the outside as set forth by Deng Xiaoping and promulgated at the Third Plenary Session of the 11th Central Committee of the CPC.

People throughout the country are voicing more and more loudly through the media their desire for the deepening of reform and further opening up to the outside world.

The country's economy has entered a stage of steady growth as the drive for economic rectification has been completed. This year, all localities throughout the country have taken concrete measures to accelerate reform and opening to the outside. It is estimated that

focus will be put on the reform of management structure of state-owned enterprises. State enterprises will be pushed into market competition step by step.

With this as the central task this year, profound reform will also be carried out in relevant areas. While ensuring steady progress of reform of the price system, the country will take larger strides in the reform of the commodity circulation system, foreign trade, housing, social insurance, and medical care services. At the same time, rural reform will be stepped up.

Political reforms should keep pace with economic reforms.

The policy of opening to the outside world will be carried out on a broader scale this year. With further development of the special economic zones, economic development zones, high-tech zones, and bonded zones, the country will extend the coverage of its preferential policies toward foreign-funded enterprises and foreign investment projects that meet the requirements.

Analysts say that the country's drive to reform and open to the outside world has won the full support of the people because the people have benefited the most since the policies were first implemented 12 years ago. And in this period the country's economy has grown at its fastest rate ever. The progress of reform and opening to the outside can not be reversed, analysts say.

However, the country now is faced with a number of profound economic problems. For example, the readjustment of the economic structure has yet to make quicker progress, the economic efficiency of enterprises should be improved, and some large- and medium-sized state enterprises lack vitality.

Analysts point out that the only way to solve these problems is to accelerate the pace of reform and opening to the outside world. Only in this way, they say, can the irrational management and economic structure be uprooted and the country build socialism with Chinese characteristics.

Article Views National Economy on Eve of NPC

HK2402090792 Hong Kong KUANG CHIAO CHING
[WIDE ANGLE] in Chinese No 233, 16 Feb 92
pp 18-20

[Article by Chen Chung (2525 6988): "Latest CPC Situation on Eve of National People's Congress (NPC) Session"]

[Text] At the NPC session this coming March there will not be any important personnel changes but the momentum of economic reform merits attention.

Failing accidents, this will be a year for China's rapid economic development...

Auspicious Snow Falls in North, Overwinter Crops Grow Well in 1992

In the beginning of 1992, rivers and streams froze over and it snowed on the vast land of northern China. This was extremely beneficial for the crops. Northern and eastern China have, therefore, announced that they have been relieved from drought, and overwintering crops on the farmland are growing well. The old saying from 1,000 years ago—"A timely snow promises a good harvest"—has opened up a good momentum in China's economy in 1992.

The Three Gorges Project is Placed on the "NPC Session" Agenda

The losses caused by the floods in eastern China last year were tremendous. However, by the end of 1991, grain output throughout the country still exceeded 400 million tonnes and the second biggest agricultural harvest in China's history was reaped. Nevertheless, the serious floods in eastern China really exposed the weakness in China's agricultural infrastructure and some defects in rural reform. The Eighth Plenary Session of the 13th CPC Central Committee therefore, specifically discussed agricultural issues and formulated a resolution. The session reiterated that the contract responsibility system on a household basis with remuneration linked to output would be implemented in the rural areas for a long time to provide the peasants with "something by which to set their minds at ease," and to continuously arouse their enthusiasm; on the other hand, the session tried to set up a new service structure in the rural areas and establish a new mechanism, jointly funded by the state, collectives, and individuals, to build and repair water conservancy projects to strive for the long-term and steady development of agricultural production. In autumn and winter last year, there was an upsurge in efforts to harness rivers, lakes, and channels, and build and repair water conservancy projects in China's rural areas, and harnessing the Huai He, Huang He, and Tai Hu became focal points. The NPC and Chinese People's Political Consultative Conference National Committee sessions will be held at the end of next month and the Three Gorges project, which has evoked extensive dispute and discussion, will be formally put on the agenda. This is a major matter which will be the focus for all parties.

Tian Jiyun: It Will Be Too Late To Repent Over Failure To Vigorously Develop Township, Town Enterprises

The development of China's township and town enterprises will be continuously speeded up. At a recent national commendatory meeting of township and town entrepreneurs, State Council Vice Premier Tian Jiyun said that, if we do not put time and energy into developing township and town enterprises to make the rural areas become rich and attain the level of being well-off, it would be too late to repent. He said: Why do gaps between rich and poor exist in the rural areas of eastern, central, and western China? Where do the gaps lie? The gaps lie in township and town enterprises. Without a

large number of agricultural productive forces shifting to nonagricultural endeavors, rural modernization cannot be realized. The main route in which China's surplus labor is to go in shifting to nonagricultural endeavors are the township and town enterprises. The departments concerned in China have, therefore, worked out many measures, and vigorously supported township and town enterprises yet further. They have treated the enterprises equally, without discrimination, as they treat state-run enterprises in the aspects of loans, energy resources, and supply of raw materials.

An Agricultural Products Wholesale Market Has Been Developed To Facilitate Commodity Circulation

A new situation has also appeared recently in rural price reform. In May last year, the price of grain in urban areas was readjusted by a big margin—the biggest since the founding of the country. At present, control of purchase and sale prices of grain in the provinces, including Guangdong and Fujian, has been completely relaxed, and prices are regulated by the market. To facilitate circulation channels for agricultural products, China's first grain wholesale market was set up in Zhengzhou in 1991, and all localities are actively preparing to develop many agricultural products wholesale centers this year. All localities are also allowing individuals to become involved in the long distance transport of agricultural products, such as grain, for selling. A tendency toward the smooth circulation of goods in the agricultural products trade has appeared.

When autumn grain went on the market last year, the CPC promptly announced that procurement prices for grain, including wheat, would be raised this year (1992). This move has dispelled the peasants' worries about achieving higher output without accompanying higher income, and greatly aroused their enthusiasm for grain cultivation. As the peasants' saying goes, a year of good harvest follows severe floods. If there are no extraordinarily severe natural disasters, and all agricultural policies are implemented, it can be predicted that there will be absolutely no problem in attaining an even large bumper agricultural harvest in China this year.

The 60 Percent Increase in Zhuhai Industry Last Year is a Rarely Seen International Occurrence

If it is said that China's bumper agricultural harvest last year was reaped after overcoming natural disasters, China's industrial production last year rode the wind, hoisted the sails, and forged ahead. From the beginning of last year, China's industrial production increased daily, and the monthly increase reached double digits, greatly exceeding the original plan. Industrial production has increased by about 14 percent this year, a rise rarely seen in recent years. In particular, the increase in industrial production in the coastal special economic zones (SEZs) and joint ventures, which had been less affected by improvements in the economic environment and rectification of the economic order, led from the beginning. The coastal provinces, including Guangdong,

Fujian, Shandong, and Zhejiang, had achieved results in absorbing foreign capital, and made remarkable contributions toward economic construction. Zhuhai SEZ's industrial production in 1991 increased by 60 percent, a rate rarely seen at home or abroad. From this we can see the vitality of China's SEZs. The situation in import and export trade, closely related to China's export-oriented economy, was good in 1991. The total amount of import and export trade for the entire year exceeded \$130 billion for the first time, and the favorable balance amounted to as much as \$12 billion.

The Industrial Output Value of Township and Town Enterprises Accounted for One-Third of the Gross National Industrial Output Value

Because "a small boat can easily turn around," China's township and town collective enterprises developed quickly. The gross output value of the country's township and town enterprises in 1991 exceeded 1,100 billion yuan, 850 billion yuan of which was industrial output value. This amount constituted a third of the nation's gross industrial output value, and became the portion holding the balance in China's economy.

How Will State-Run Enterprises Do in the Future?

Compared to the rapid development of the export-oriented economy and township and town enterprises, China's large and medium state-run enterprises developed slowly, and their economic results dropped in 1991. Baffled by debt chains, state-run enterprises were faced with a series of difficult problems, including unmarketable products and overstocked products, and a third of the state-run enterprises nationwide incurred losses so that the state financial burden become heavier with each passing day.

State-run enterprises are the foundation of socialist public ownership and have a bearing on the national economy and the people's livelihood. The CPC has always hoped that, through reform, state-run enterprises would become vitalized and their tremendous potential would be brought into play. The CPC eventually adopted a series of resolutions in 1991, and viewed as the reform's main strategy a change in the operation mechanism of state-run enterprises, founded on the contract and stock systems already implemented by the enterprises. In the aspects of import and export rights and tax collection, large and medium state-run enterprises would enjoy the same preferential policies as those enjoyed by foreign-funded enterprises. In state-run enterprises, reform of the system of cadre appointment is being resolutely implemented and the "iron chair" has been removed. The system of employing workers has been reformed and the "iron rice bowl" broken. The distribution system has been reformed and "iron wages" eliminated. These are called measures "to break the three iron things," in the hope that there will be thorough changes in the operation mechanisms of state-run enterprises. Under the new mechanism, operations in many state-run enterprises have already picked up.

During the past two years, China has brought inflation under control through improvement and rectification. In 1991, a series of reform measures were carried out and scored good achievements in economic structural reform at some deep levels. For example, export subsidies were abolished and foreign trade enterprises implemented the new system of assuming sole responsibility for profits and losses. Urban resident grain rations and the selling price of edible oils have been readjusted by the biggest margin since the founding of the country and new strides forward have been taken in solving the most difficult problem—higher state procurement prices of grain and oil than the selling prices. A plan for reform of the enterprise workers' pension and insurance system has been published, and 52 million regular workers and 14 million contract workers in state-run enterprises nationwide have joined the pension and insurance system. Market regulation in the operation of edible sugar has been enlarged. The former factory price of edible sugar fixed by the state has been changed to prices guided by the state, while control of the retail price of edible sugar has been relaxed and multichannel operation has been carried out. The regulations on state budget management published by the State Council announced that the state budgetary system has been changed to a multiple budgetary system; the financial revenue and expenditure are divided into the recurrent budget and the constructive budget in the hope of gradually weakening financial interference in the banks; and so on.

This Year Will Be a Year of Accelerating Reforms

On 1 December 1991, China announced that residents were allowed to participate in foreign exchange market regulation to cause the foreign exchange rate to quickly approximate the market regulated price. Meanwhile, Shanghai and Shenzhen introduced special renminbi stocks abroad to absorb capital from outside the borders. Thus, another way of absorbing foreign capital has been developed, in addition to persuading foreigners to set up sino-foreign joint ventures, sino-foreign contractual joint ventures, and wholly foreign-owned enterprises.

1991 was called a year of stepping up reform of China's economic structure. High-ranking CPC leaders, including Jiang Zemin and Li Peng, have all declared that more reform should be done this year. This shows that China will continuously make big strides forward in the economic field after spring has passed.

Houses Change From Being Considered Welfare Goods to Being Viewed as Commodities

On 1 January this year, the State Council published the suggestion on housing reform in urban areas throughout the country and put housing reform on the agenda. It is learned that in housing reform, urban areas nationwide will make big strides forward in readjusting rents, selling houses, and raising funds to build houses this year, and shift houses from being viewed as welfare goods to being viewed as commodities.

A lot of action will be taken this year in price reform. The prices of products of many basic industries and raw materials will be readjusted, and the purchasing and selling prices of agricultural products will also be further readjusted.

Superfluous Workers Will Be Allowed To Become Unemployed and Receive Relief Funds

New reforms of the planning structure; financial and tax collection structures; and commercial, circulation, and monetary structures will be implemented. The most difficult problem in changing the enterprise mechanism is the problem of superfluous workers. It has been resolved that reform will be carried out this year, specifically, by allowing superfluous workers to become unemployed and receive relief funds.

Economic circles unanimously maintain that China will make tremendous progress in absorbing foreign capital this year. When domestic markets are gradually saturated, many state-run enterprises develop exports. This will also increase China's import and export trade by an even bigger margin.

Will an Overheated Economy and Inflation Appear This Year?

Regarding the situation in China's economic development this year, Chinese and foreign specialists unanimously hold that it will be good, but some economists are worried about the reappearance of an overheated economy and inflation after the improvement of the economic environment and rectification of the economic order. China's economy increased by as much as 14 percent in 1991, and this is the cause of such worries. Such a situation will also attract the attention of the CPC authorities. In the third quarter last year, measures were adopted to restrict and reduce production in trades and enterprises that had products long in stock. Enterprises in light industrial trades that had a lot of obsolete equipment were ordered to suspend production. As a result in the fourth quarter last year, China's industrial output value dropped by 2 percentage points. In January and February this year, such measures were continuously carried out to prevent enterprises from blindly making unmarketable products after macroeconomic relaxation.

Other measures are that the CPC will continuously and strictly limit expansion of the investment scale this year and make investments mainly in technological transformation and the development of energy and basic industries. The CPC has striven to maintain a fundamental balance of supply and demand. The markets now have ample supplies of commodities and the common people's mind are at rest. Specialists estimate that China's inflation will rebound to a certain degree this year, but will not exceed the range of increase in the price index put forward by the CPC, and any increase in the price index for the year as a whole will be kept to a single digit.

Many people maintain that an increase of 14 percent in China's industry in 1991 was a restoration in the course

of economic recovery after the economic depression in 1989 and 1990. Therefore, it does not warrant saying that there is danger of an overheated economy. With the formulation of a series of CPC reform measures this year, the old road of blindly seeking output value in China's economy will shift to seeking economic results. This will bring about a firm development of the potential in China's economy.

Paper Calls for 'Shaking Up' State-Owned Firms

*HK2102021592 Beijing CHINA DAILY in English
21 Feb 92 p 4*

[Report: "Wholesale State Firms Need Blanket Overhaul"]

[Text] Economic Daily [JINGJI RIBAO] recently carried an article calling for the shaking up of State-owned wholesale enterprises, an important lever in regulating the market and organizing national economic activities.

The article, written by Wan Dianwu and Jia Lurang, analyzed the difficulties in State-owned wholesale enterprises and suggested ways and means of bailing them out.

While affirming that State-owned wholesale enterprises had made tremendous contributions in supporting production, stabilizing the market and providing funds, the article admitted that they were held back by unprecedented slack management, falling efficiency and serious losses.

This situation not only directly impaired the survival and development of the enterprises themselves, but also harmed other areas of the national economy, it said.

Among the causes of these problems were rapidly-changing market conditions, clashes between new and old systems, an unfair competition environment and bad operating style, according to the article.

It noted that there was too much administrative interference.

Departments in charge of market administration didn't treat all areas of commercial enterprises equally. They were likely to adopt stricter control over State-owned wholesale enterprises, forcing them to compete with other firms at a disadvantage, the article said.

It also said that State-owned wholesale enterprises had a heavy tax burden.

Also, their operating style was rigid, the article said. On top of this, the administrative structure was complicated, procedures were too many, working efficiency was low, expenses were extravagant, there was no freedom in hiring or dismissing workers and distributing income.

What was needed to change the plight of the State-owned enterprises was a change in mentality.

The article suggested organizing production and circulation in accordance with market demand, and recommended that a sense of commodity economy be established.

Interference from government organizations should be reduced and commercial enterprises allowed to purchase marketable products from production enterprises. They should not resort to administrative measures to keep purchases and sales within certain departments or regions, the article said.

It noted that a readjustment of financial policy was also necessary. As production and circulation are two basic links in reproduction, the State should attach the same importance to circulation departments as it has done to production departments.

The State should give wholesale enterprises necessary financial support in improving their storage and transportation conditions and other basic installations, the article said.

To create a fair competitive environment, the article suggested State-owned, collectively-owned and private wholesale enterprises be taxed at the same rates.

The income tax rate of State-owned wholesale enterprises should be gradually lowered from 55 percent to 33 percent in accordance with the State Council's policy of reviving large and medium-sized State-owned enterprises.

To eliminate blind and unnecessary competition, the article called for the strengthening of control over, and co-ordination among, different commercial areas in society. Only in this way could social commercial activities be brisk and orderly, it said.

The article held that to make State-owned enterprises truly independent commodity traders, they must be given self-government rights.

It said that administrative departments should only perform their governmental function, and transfer management power to the enterprises themselves.

To rebuild the strength of State-owned wholesale enterprises, the article urged streamlining them and adjusting their managing styles.

Also, a number of group enterprises should be set up through annexation, co-operation or institution of a share system, it said.

The article stressed that the enterprises' management must be changed by introducing the contract system in employing both cadres and workers, and smashing the "iron rice bowl."

State Council Report on Clearing Debt Chains

HK2002093092 Beijing RENMIN RIBAO in Chinese
9 Feb 92 pp 1, 2

[XINHUA report: "State Council Leading Group for Clearing 'Debt Chains' Publishes Announcement on Work in 1991, 1992"]

[Text] Beijing, 8 Feb (XINHUA)—On 1 February, the State Council's leading group for clearing "debt chains" issued a report on the achievements in clearing "debt chains" in 1991 and on the work in clearing "debt chains" in 1992. The full text is as follows:

In order to implement the spirit of the central work meeting concerning properly running state-run large and medium enterprises and improving the operational environment for enterprises, and in accordance with the arrangements made by the State Council concerning the work in clearing "debt chains," in 1991, we made a big effort to clear debts in the fixed assets investment projects in the whole country, and at the same time limited production, suppressed stocks, and adjusted structure. In 1991, the country allocated a total of 30.6 billion yuan of bank loans to clear debts, and local governments and enterprises raised 2.45 billion yuan themselves. Through organized and continuous efforts to pay debts, we cleared a total of 136 billion yuan of defaults, thus scoring a marked result of clearing 4.1 yuan of debt for every 1 yuan injected, and surpassing the original goal of the work in clearing "debt chains."

This time, funds were injected into the fixed-assets investment projects which were in the red, and efforts were made to clear debts in state-run large and medium enterprises engaged in electrical machinery, metallurgy, coal, nonferrous metals, and other means of production. A large part of the money went to state-run large and medium enterprises, markedly alleviating the situation of shortage of funds in these enterprises, and enabling them to increase economic returns and enhance vigor. At the same time, we also expedited the construction of a number of key state projects. When clearing debts, various localities seriously implemented the State Council's "Notice on Rectifying the Trade Order of Commodities and Strict Auditing Discipline," enabling the trade order of commodities and auditing discipline to be rectified and restored to some extent. The practice of imposing fines for outstanding payments enabled some localities and enterprises to markedly speed up circulation of funds and receipt of payments.

The main experience in the nationwide work in clearing "debt chains" in 1991 was: First, the guiding thought was clear, and the foothold was to tackle the origin and rectify the source. Starting from grasping the origin of defaults caused by the shortfall of investment in fixed assets, we untied the "debt chains" in an orderly way, and made efforts to prevent new debts. Second, leadership at various levels attached importance to the work; the party committees, governments, planning commissions, economic commissions, and banks in various

localities cooperated and coordinated closely; and the comrades in the debt clearance offices worked hard day and night. Third, we seriously grasped the training of personnel for debt clearance work, and public opinion and propaganda work. Fourth, we firmly grasped the work in limiting production, suppressing stocks, and adjusting structure, and we insisted on integrating debt clearance with debt prevention. Fifth, various localities and departments set store by the overall situation, took the initiative in paying debts, and observed the trade order of commodities and auditing discipline.

In 1992, we must continue to take the work in clearing debts in fixed-assets investment projects as a key point in clearing "debt chains." The State Council's leading group for clearing "debt chains" is planning to hold the third national work meeting on clearing "debt chains" in early March, and the meeting will thoroughly sum up last year's experience in clearing debts; on this basis, it will make concrete arrangements for the work in clearing "debt chains" in 1992, through limiting production, suppressing stocks, preventing losses, and increasing profits.

In 1992, we will continue to clear debts in the fixed-assets investment projects among the units owned by the whole people which have the ability to pay debts, have good economic returns, and conform to the state's industrial policy. The area for clearance includes the projects which we did not look into in the first half of 1991 and the projects which were turning out products at the end of 1991 but which still had debts. As for the ongoing projects which were cleared in 1991 and which now have new debts, in principle, the state will not inject funds to clear their debts. The clearance effort should be carried out in line with the current system of management of investment planning. The capital construction projects and the technological reform projects directly under various departments (companies) of the State Council, and the plans for investment in capital construction projects arranged by various departments (companies), are to be cleared by the departments (companies) and reported by them (reports on various items of funds should include all debts); other projects are to be cleared and reported by provinces, autonomous regions, municipalities, and separately listed cities. The state will not organize efforts to clear the debts occurring after 1 January 1992; before these debts are cleared, no new projects are permitted.

To clear the debts in circulation funds, we should mainly rely on the measures to limit production, suppress stocks, stop losses, increase profit, promote technological advancement, and carry out adjustment of industrial structure and product mix. On the premise of effectively preventing debts from reoccurring after being cleared up, we will make trial efforts to clear debts in circulation funds among major enterprises engaging in metallurgy, electrical machinery, and materials and, when the trial efforts are successful, make planned efforts to clear debts in an orderly way. Enterprises have the main duty to clear debts. The debts in circulation funds must be

cleared mainly by enterprises themselves through hard efforts to change operational mechanisms, adjust product mix, expand and occupy markets, and increase economic returns. The state will not organize efforts to clear the debts in circulation funds occurring after 1 January 1992.

We must solve the problem of outstanding promised funds, outstanding subsidies, and outstanding refunds as soon as possible. In 1992, the "three outstandings" and the problem of loss-making enterprises must be put on the agenda. The financial problems concerning the central government should be tackled in accordance with the concrete ideas suggested by the Ministry of Finance; the financial problems concerning the departments (corporations) which practice fixed profit quotas should be tackled in accordance with the concrete ideas suggested by the departments (corporations); and the financial problems concerning localities should be tackled in accordance with the concrete ideas suggested by various localities. We must be able to make up the losses in this year's plan according to plan, prevent new defaults, and clear old defaults step by step. Enterprises should gradually pay the outstanding amounts of profits and tax, and prevent new debts.

We must continue to properly grasp implementation of the measures preventing debts. Various localities and the departments concerned must propose effective measures to prevent new shortfalls of investment, new overstocking of finished products, and new losses; and they must clearly state our goal and the responsibility system. Various localities and departments must make plans to clear debts created in 1991, and seriously implement them.

We must continue to grasp the trade order of commodities and rectify auditing discipline. On 30 October 1991, RENMIN RIBAO openly criticized 10 typical cases of unreasonable refusal to pay outstanding amounts, causing big disturbances in various localities. Hence, the phenomenon of breaking contracts and promises and of unreasonable refusal to pay outstanding amounts diminished. This year, various local governments, banks, and enterprises must continue to firmly grasp this work and prevent reemergence of the phenomenon. During the period when we clear debts, we must limit production and suppress stocks, and no enterprise is allowed to shift accounts without permission from the People's Bank of China.

Commentator's Article

HK2002093292 Beijing RENMIN RIBAO in Chinese
9 Feb 92 p 1

[Commentator's article: "Get Right on the Job in Doing Economic Work"]

[Text] In August 1991, the State Council demanded that three goals be attained in the remaining months of the year. First, the "debt chains" must be untied to a certain extent, and 100 billion yuan of "debt chains" must be

cleared within the year. Second, production of unsalable and overstocked products must be reduced, stocks must be reduced by 20 billion yuan, and by the end of the year the level of funds tied up in finished products must be lower than the level at the end of 1990. Third, losses must not be expanded, and must not exceed the level at the end of June. At present, we are happy to see that these three goals have been triumphantly attained.

Facing "debt chains," some people feel they can do nothing. The more they try to clear a debt, the larger the debt becomes, and the more they try to clear their debts, the more debts occur. Some people have even lost confidence. However, over a few months we cleared debts amounting to 136 billion yuan, enabling the situation to change markedly. This fact tells us again that in economic work, we can find ways to solve various difficulties so long as the leadership attaches importance to them, the policies are right, the measures are effective, and we can "make real efforts and work solidly." When we are persistent, difficulties can be solved.

Making real efforts and working solidly means we must proceed from the overall situation, precisely choose a starting point which can promote our work, and be determined to take a firm grasp. The State Council chose solution of the problem of "debt chains" as a starting point to improve state-run large and medium enterprises, and that was a correct and precise choice.

Making real efforts and working solidly means we must thoroughly study the problems which we intend to tackle, and take the "bull by the horns." During the clearance this time, we grasped the link of fixed-assets investment projects, and pulled the whole chain; therefore, we have the good result of clearing 4 yuan for every 1 yuan injected.

Making real efforts and working solidly means we must adopt a policy which can promote production and development on the one hand, and arouse enthusiasm in various places on the other. When everyone is enthusiastic, implementation is easy. For example, this time we used the method of "reducing loans and establishing links," and this not only enabled enterprises to reduce stocks, but also promoted enterprises' technological advancement. Beginning in September, in the short period of four months, we reduced overstocking of products by 22.9 billion yuan, overfulfilling the original goal.

Making real efforts and working solidly means we must strictly enforce rules, regulations, and systems, and must rectify order and abide strictly by discipline. To ensure that economic life operates normally, we must protect those who abide by the law and punish those who break the law. Strict implementation of the measure of imposing fines on outstanding amounts of money has effectively checked the unhealthy trend of "delaying payments for benefits and delaying payments using excuses."

Making real efforts and working solidly means that under one leadership, various sides and departments work and coordinate closely to attain the fixed goal. All economic work is systems engineering, and many economic problems are comprehensive reflections of many factors. Therefore, to really solve problems, the departments concerned must coordinate closely in work.

During several months in the second half of last year, the work in improving state-run large and medium enterprises made gratifying progress, and state-run enterprises' losses decreased from 36.7 percent at the end of June to 29.7 percent at the end of the year. The trend of decreasing economic returns was halted somewhat. In the new year, we must meet the demand by the central authorities, firmly grasp the two links of "unifying understanding and strengthening implementation," and push the central task of economic construction another step forward.

Market-Oriented Price Reforms To Continue

HK2002025692 Beijing CHINA DAILY in English
20 Feb 92 p 1

[By staff reporter Li Hong: "In-Depth Reform of Pricing System"]

[Text] The government is stepping up a market-oriented reform of the country's pricing system in a bid to improve the competitiveness of Chinese industrial products.

This year, more goods will get free from state control and be allowed to find their own price level on the market, said officials for the State Commission for Restructuring the Economy.

At least three government departments dealing with trade are involved in pushing forward the price reform.

The Ministry of Materials and Equipment, the main dealer in industrial materials and products, is changing from being the government's sole distributor of raw materials and equipment to being a marketing organizer.

The ministry is currently in close collaboration with other government departments to sort out the outdated "two-tier" pricing system (official and market prices) for key raw materials, including steel, non-ferrous metals, timber and coal.

Timber prices are expected to be unified sometime this year and the state coal price is to be raised to the market level, ministry officials said. The ministry has already merged the two-track pricing for cement and other building materials.

Mandatory ordering of industrial raw materials by the state, which accounted for less than 20 percent of the country's total resource last year, is expected to be slashed further, ministry officials said.

In 1991, its market trade volume reached nearly 300 billion yuan (\$55.55 billion).

The ministry, China's biggest purchaser and supplier of industrial products, is already authorized to reject unmarketable products offered to them by the state-owned enterprises, ending several decades of the practice of the state buying almost all industrial products off the production line.

And the Ministry of Commerce has decided this year to cut the number of state-priced commodities whose supply already meets demand, and has just cancelled state pricing on sugar and cigarettes, ministry officials said.

Since 1990, the ministry has lifted controls on the retail price of about 75 percent of commodities on the domestic market.

Furthermore, the number of industrial products controlled by mandatory state plans has dropped from 120 items in 1979 to 60 at the end of last year; the variety of materials under centralized distribution has dwindled from 256 to 27; and the number of commodities directly managed by the government has decreased from 188 to only 24, according to statistics.

Guangdong To Adopt Share-Holding System

OW2002061692 Beijing XINHUA in English
0549 GMT 20 Feb 92

[Text] Beijing, February 20 (XINHUA)—South China's dynamic Guangdong Province is preparing to adopt the share-holding system in some 100 state enterprises to renovate state enterprises.

According to today's ECONOMIC DAILY [JINGJI RIBAO] newspaper, the provincial authorities have decided on the share-holding system to be used for a speedy transformation of the operational mechanisms to revitalize state-owned enterprises, one of the priorities of the Chinese Government this year.

Deputy Provincial Governor Liu Weiming said that Guangdong will take big steps this year in promoting the share-holding system and developing security markets.

He called on local government officials to dedicate themselves to studying and organizing this reform program and standardize the operations of new security markets.

To help the reforms, the provincial government invited the noted Chinese economist Li Yining to give lectures on share-holding systems and the security market to several hundred of government officials in charge of economic work and business managers.

Li, who is professor of economics of the Beijing University, said that introduction of the share-holding system in a larger scale in Guangdong will promote optimal

deployment of productive factors and really separate the business operations from government.

The reforms, an effective means of transforming the operational mechanisms of state enterprises, will also attract part of the nearly 100 billion yuan in savings deposits in the province, Li was quoted as saying.

The newspaper said that with a much higher living standard and a more prosperous economy, guangdong province has favorable conditions to issue shares to local residents.

Commentary Urges Agricultural Restructuring

OW2302213492 Beijing XINHUA Domestic Service
in Chinese 0258 GMT 23 Feb 92

[Commentary by XINHUA reporter Wang Man (3769 3341): "We Should Be Cautious in Restructuring Agricultural Production"]

[Text] Beijing, 23 Feb (XINHUA)—After China reaped a rather good harvest of major agricultural goods and sideline products last year despite devastating natural disasters, many people became optimistic about our agriculture. Because of this, and also because of problems in selling and purchasing certain agricultural goods, some places have become more interested in restructuring their agricultural production.

While restructuring commodity production appropriately in accordance with public demand is normal economic conduct, restructuring the original pattern of China's agricultural production certainly will affect many areas and might even upset the entire economic order because of the special characteristics of China's agriculture, which has a weak foundation and widespread involvement. This being the case, the project must proceed cautiously.

First of all, we must objectively and fully analyze the supply and demand of China's agricultural goods. Because of the appropriate development in agricultural production, the supply and demand of major agricultural goods are basically balanced. On the whole, however, this balance, which is temporary and fragile, is the result of many factors. Because of the weak economic market in recent years, the demand for agricultural goods has been relatively stable; however, as a result of economic development, as well as the gradual shrinkage of arable land and population growth in the future, China will see a prolonged shortage of agricultural goods. Today, China still has to import over 10 billion kg of grain and over 1 million tonnes of sugar annually, and the quantity of cooking oil we import is also quite substantial. We really should not be unrealistically optimistic with such a temporary balance of supply and demand.

We should also thoroughly analyze the problems which some regions often encounter in selling their grain. In addition to problems within the sphere of distribution, this phenomenon is primarily caused by dislocation

between regions and between supply and demand of certain types of grain. The problem which northern China encounters today is the problem of selling its corn, and the problem which southern China encounters is problem of selling its early, long-grained rice. Although China's grain output has noticeably increased in recent years, the per capita share, once averaged by the ever-increasing population, is still below that of 1984, and thus grain production remains a problem to be resolved.

We should point out that, because of constant improvement over the last decade or so, the structure of China's agricultural production is by and large rational, and the main problem lies in uneven returns from various types of agricultural operation. Thus, we should adjust our farming operation according to the principle of making small adjustments while retaining overall stability. Overall stability is the base and the prerequisite of adjustments, and small adjustments mean restructuring farming operations in accordance with market supply and demand, and priority should be given to improving quality and increasing output. To this end, we should properly handle the relationship in three areas:

First, the relationship between interior factors and exterior factors. Restructuring the farming operation should not simply be one of adjusting crop sizes, but it should also include businesses of processing, transforming, and marketing agricultural and sideline products to create a beneficial cycle of farming, breeding, and processing businesses, and to make our agricultural goods more competitive and yield higher economic returns.

Second, the relationship between immediate and long-range interests. China has limited agricultural resources, especially arable land, and fertile acreage is even more scarce. Thus, when we restructure our agricultural production, we must establish our footing on preserving our resources. By no means should we be overly eager for immediate success and casually plant fruit trees and build fish ponds on fertile land. These businesses should be conducted on undeveloped hills, river banks, and water bodies.

Third, the relationship between quantity and quality. Improving the quality of agricultural goods and sideline products takes a long time, during which we should not simply underscore quality and ignore quantity. Today, when supply and demand for agricultural goods remain unbalanced in China, we must be absolutely sure that quality is based on quantity. Increasing the output of agricultural goods remains our first priority.

In particular, we should point out that when we restructure our agricultural production, we should attach importance to stabilizing the cropland size for cereal crops. Statistics show that, as result of drought, and primarily because of man-made factors, the size of summer grain croplands this year will be over four million mu smaller than last year's. We should pay special attention to the fact that some provinces that are self-sufficient in grain or have grain to export have

drastically compressed the cropland size for grain production to expand cotton, fruit, silk cocoon, and other cash crop production. To ensure bumper crops in all agricultural sectors this year and for a relatively long time to come, all localities should continue to uphold the principle of "never relaxing grain production but actively developing economic diversification" and promptly correct the various misdeeds in restructuring their farming operations.

Commentator on Agricultural Development

*HK2102031092 Beijing LIAOWANG in Chinese No 3,
20 Jan 92 p 1*

[Commentator's article: "Development of Agricultural Socialized Services of Profound Significance"]

[Text] The Eighth Plenary Session of the 11th CPC Central Committee emphatically pointed out that to deepen rural reform and to accelerate the comprehensive development of the rural economy, "it is necessary to continuously stabilize the responsibility system with the contract responsibility system on the household basis with remuneration linked to output, to constantly perfect the two-tiered operation structure with the integration of centralization and decentralization, to actively develop the agricultural socialized service system, to gradually strengthen the collective economic strength, and to lead the peasants to take the road of becoming rich together."

By deeply studying the CPC Central Committee's instructions and conducting investigation in the light of the rural actual situation, we can easily see the important role of the strategic measure for "vigorously developing the agricultural socialized service system" in the course of deepening rural reform and advancing the development of the rural socialist commodity economy. Operation of the contract responsibility system cannot be divorced from socialized services; perfecting the two-tiered operation structure with the integration of centralization and decentralization cannot be divorced from socialized services; likewise, bolstering collective economic strength and leading the peasants to take the road of becoming rich together cannot be divorced from the socialized service system. Through socialized services, thousands upon thousands of scattered small-scale producers are combined and enthusiasm for household operation and superiority of collective unified operation are combined. This is of important and profound significance to further emancipating agricultural productive forces, developing the rural economy, and realizing agricultural modernization.

In the wake of the unremitting profound development of rural reform, all places throughout the country have done a lot of work to develop the agricultural socialized service system, scored remarkable achievements, and accumulated certain experiences. However, all places have developed very unevenly and the general level is not high. What they have done still cannot meet the

needs of developing rural commodity production and they should continuously exert efforts.

How can the agricultural socialized service system be further developed? Last November, the State Council issued a special instruction and worked out specific stipulations on many important matters. To implement the relevant policies of the party and state, it is essential to deepen understanding of this important task—development of the agricultural socialized service system.

The rural areas of our country have universally established the responsibility system with the contract responsibility system as the main content and the two-tiered operation structure with integration of centralization and decentralization. This is a fundamental system of the organization of our country's rural collective economy, which must be long stabilized and unremittingly replenished and perfected. By comparing the contract responsibility system with the old system of "large in size and collective in nature" prior to reform, enthusiasm for peasant household operation has been aroused and peasant household operation has played a tremendous part in developing production, casting off poverty, and getting rich. At present, the centralized operation stratum of the two-tiered operation structure in many places of our country's rural areas are still fairly weak and the development of production in these places still relies on the contract responsibility system. What has long been stabilized as the two-tiered operation structure of the collective economy belongs to operation with contracted responsibilities on the household basis with remuneration linked to output of the decentralized operation stratum and it is determined by the present rural productive forces and accords with the desire of the peasants in these places. However, household operation by contract is, after all, small-scale production; in the course of developing large-scale socialized production, many things cannot really be done or done well by a single household. It is extremely difficult to rely on a single household to resist natural disasters and to apply advanced science and technology. In particular, to develop socialized commodity production and to enhance the living standard from solving the problems of food and clothing to becoming well-off, it is imperative to urgently acquire multifaceted services before, during, and after production.

The two-tiered operation structure of centralized operation and decentralized household operation is the target we pursue. It can give play to enthusiasm in two aspects, has great flexibility in the specific form and content of the integration of centralization and decentralization, can include productive forces at different levels, possesses extensive adaptability and exuberant vitality, and must long be adhered to and unremittingly perfected.

What must then be relied on to develop two-tiered operation? Judging from the present rural actual situation, the main problem in two-tiered operation is that the centralized operation stratum in many places is weak

and should be vigorously developed. How to develop it? In view of the historical experiences, we absolutely cannot go in for "following the general trend" again and definitely cannot expand the composition of "centralization" to "strengthen the collective economy at the expense of the enthusiasm aroused by the contract responsibility system." What is the way out in both stabilizing the contract responsibility system and developing the composition of "centralization"? Here, it is essential to define one point: The main things to perfect the two-tiered operation structure with the integration of centralization and decentralization are to strengthen and to give play to the role of the centralized operation stratum, to pour new vitality into operation with contracted responsibilities on the household basis, to link thousands upon thousands of households, and to turn the single household's production into large-scale socialized production but not to weaken the household operation decisionmaking power, nor to abolish the household operation stratum. Last year, this journal reported on the experiences of Zhucheng City of Shandong in deepening rural reform, some of which deal with the method of developing agricultural socialized services. Through services, all functional departments at the county level and those leading economic departments in Zhucheng have today established all sorts of ties with over 80 percent of the peasant households in the rural areas throughout the city. They have provided services to many peasant households which have links with them and provided them with comprehensive services in the course of production, such as seeds for farming, insect pest prevention and treatment, processing and marketing of agricultural products, chickens for breeding, supply of feed, prevention of diseases, processing and marketing of finished products, and so on. Through services, they have been combined into all kinds of economic combines which are "combined but not amalgamated." Peasant households cannot be divorced from leading enterprises and leading enterprises cannot be divorced from peasant households. In the rural areas of Zhucheng, the majority of the peasant households have been organized into all kinds of economic combines which are economically combined but not administratively amalgamated in the form of operation. Such a two-tiered operation structure with the contract responsibility system as the foundation possesses the characteristics of centralization, decentralization, and integration of centralization and decentralization, and can avoid the same big pot of rice and working with a lot of empty talk and accomplishing very little at the time of "big collectives," as well as various contradictions between small-scale single household's production and the socialized commodity economy, and really achieve certain scale production of the socialized commodity economy. In the course of service, the composition of "centralization" unremittably increases and the enterprises and departments that serve agriculture and peasants have also strengthened themselves. This is just the target that is pursued by socialist agriculture with Chinese characteristics.

The experiences of Zhucheng of Shandong and all places show that the development of socialized services is extraordinarily important to developing agricultural production, deepening rural reform, strengthening collective economic strength, and leading the peasants to take the road of becoming rich together. It is an extremely important link of the current rural work. All places must put it in an important position and do it unremittably and well.

Article on Developing Rural Collective Economy

HK2402123392 Beijing RENMIN RIBAO in Chinese
11 Feb 92 p 2

["Work Study" column by Wu Zhaoren (0702 2507 0088): "Thoughts on Developing Rural Collective Economy"]

[Text] First thought: What is collective economy?

Recently I heard some comrades say that the collective economies in their localities are weak and that there are many "empty villages." I think it is improper and inaccurate to say so. As everyone is aware, the household output-related contracted responsibility system is a management system in the collective economy and not distribution of fields to individual households. As a result of assigning production quotas to each household, China's agricultural production has experienced much development and the peasants have witnessed much improvement in their lives. This is a commonly acknowledged fact. How can there be "empty villages in the collective economy"? This means that they have excluded the assignment of production quotas to each household from the collective economy. It may cause confusion in people's minds.

Of course, some village groups gain little or nothing in their operations. To solve their expenditures, these village groups rely on collective profit retention or peasants' payment of contract money. This should be changed. Village groups should make efforts to increase their income from direct operations, and the financial and material resources under unified allocation of the collective should be enriched so as to lighten the peasants' burden and bring about common prosperity.

Second thought: The reason why village groups gain little from their direct operations.

Some people say that the reason why the collective economies of village groups are weak is that collective property has been used up as a result of assigning production quotas to each household. I do not agree with this assertion. An example is Chuxian Prefecture in Anhui Province, where the assignment of production quotas to each household occurred earlier than in other localities. After the Third Plenary Session of the 11th CPC Central Committee, we conducted a special survey in Jiashan County of this prefecture. From the introduction of the people's commune system in 1958 to 1978, the total fixed assets under three-level ownership of the

village people's communes in Jiashan County only amounted to 19 million yuan, but in the same period state relief funds and bank loans for the peasants amounted to 25 million yuan. This is really production being unable to make good debt repayments! The situation was worse in Fengyang County. How can we say that "collective property was used up as a result of assigning production quotas to each household?" There was no collective property for distribution at all! In most villages at that time, cattle and farm tools were distributed to peasant households and debt repayments were also shared among them. It is true that collective property (such as tractors, small processing factories, and so on) in some localities was distributed to peasant households. This should not have been done. It was wrong to do so. But this happened under the historical conditions at the time. A big change inevitably requires a price.

There are many reasons why some localities were poor in the past and are still weak in their direct collective operations. As I see it, the main reason is a lack of education and guidance. As some grass-roots cadres criticized, years ago, when going to the rural areas, some leaders "only paid attention to specialized households and not to party branches." The Eighth Plenary Session of the 13th CPC Central Committee stressed once again improving the two-tier system under which unified management is integrated with separate management; there is a need to bring out the strong points of unified collective management and the initiative of separate household management. Leaders should find out the causes of mistakes in their work instead of just blaming the practice of assigning production quotas to individual households.

Third thought: The policy and principle of developing direct collective management.

Some people like to go from one extreme to another. Now they have ordered the "elimination of empty villages in the collective economy" within one year; otherwise, local cadres will be dismissed on the spot and will not be allowed to become candidates in the next people's congress elections. I believe this will make things still worse. "If you press him, he will cheat you." Examples of this were too numerous to cite during the three years of natural disasters. It must not be allowed to happen again.

Rural reform is targeted at developing the collective economy and bringing about common prosperity. This must remain unchanged. But we should do everything in light of specific conditions. Developing direct collective management is a gradual process and we should not be overanxious for quick results in this respect. We should not practice egalitarianism or transfer resources indiscriminately, nor should we think of cheating the peasants. Making instructions in an impractical manner or using punishment or dismissal to threaten people will

turn good things into bad ones. We should also protect the legitimate interests of individual traders, peddlers, and private enterprises and educate them to abide by law in their operations and pay taxes according to regulations. We should exploit new resources and develop new productive forces to expand the collective economy, instead of restricting individual or private management. Of course, we should not allow private enterprises to enjoy state preferential treatment under the signboard of collective enterprises.

Fourth thought: The way to develop direct collective management.

Developing township and town enterprises is a way to invigorate the rural economy. But I think this is the main method and not the only method. In particular, we cannot build industrial enterprises in each village. There are many shortcomings in "every village running factories," the main one being that human quality is not suitable for this in some poor villages. Some people know absolutely nothing about industry but are familiar with agriculture. Why do we not bring their strong points into play? By carrying out exploitative agriculture, running collective forest farms, tea farms, orchards, and fish ponds and growing seeds, we can all the same produce high economic results, increase income from direct collective management, and solve the problem of surplus labor. Why should we scramble on one road?

Adverse Weather Threatens Grain Harvest

OW2302101792 Beijing XINHUA in English
0935 GMT 23 Feb 92

[Text] Beijing, February 23 (XINHUA)—A spell of drought in northern China and wet weather in the southern part is affecting the growth of winter wheat and spring sowing, "PEOPLE'S DAILY" reported today.

As the temperature in the southern part of north China's wheat-growing areas has risen three to five degrees centigrade winter wheat turns green and needs more water.

The severe drought that has lasted for about 40 days has heavily hit the central Shaanxi plain and western and northern Henan Province, according to the paper.

However, the temperature is two to three degrees centigrade lower than normal in south China with a spell of eight to nine days of rains checking the normal spring sowing.

In addition, according to the Central Meteorological Station, such raining weather in the south is likely to continue in the near future and there will be no raindrop in the northern drought areas within the coming three days.

East Region

Zhao Zhihao Attends Animal Husbandry Conference

SK2302105492 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 20 Feb 92

[Text] The provincial animal husbandry work conference was held in Jinan on 20 February. Governor Zhao Zhihao attended the conference and made a speech. He demanded that the province's animal husbandry work should be guided by domestic and world markets from now on, be based on scientific and technological progress, be stimulated by the deepening of reform, be focused on building a fine-quality and high-efficient animal husbandry management system, and should be aimed at rapidly changing from conventional animal husbandry to modernized animal husbandry. Vice Governor Wang Jiangong presided over the conference.

Since reform and opening-up, the province's animal husbandry has gone up in a sustained way, registering an average annual increase of 11.1 percent, or higher than the average national level. Now, animal husbandry is developing from the past pattern of conventional household sideline production to an independent rural economic production.

Governor Zhao Zhihao pointed out in his speech: Vigorously developing animal husbandry is a major way to increase agricultural profits, to attain the goal of creating a relatively comfortable life for the people, and to constantly improve the people's living standard. He stressed: From now on, the province should pay attention to doing the following work well.

First, we should accelerate the pace of animal husbandry reform and gradually establish an operation and management mechanism which is full of life and vigor. In deepening the reform of animal husbandry, we must firmly grasp the central link of socialized service and establish and perfect, as quickly as possible, the service organizations at county, township, and village levels. We should energetically initiate service entities and strengthen service functions in order to gradually embark on the road of self-accumulation and self-development. We should organize and guide peasants to enter the service sphere.

Second, we should energetically search for more markets, accelerate the process of commercializing animal husbandry, and continue to search for more markets at home and abroad.

Third, we should readjust the layout of regions and production setup based on natural resources and market demands.

Fourth, we should promote the work of invigorating animal husbandry through scientific and technological means, raise the level of animal husbandry modernization, and use modernized science and technology to arm and renovate animal husbandry.

Governor Zhao Zhihao stressed in conclusion: All localities and departments should strengthen leadership over animal husbandry work. Planning, financial, and banking departments should give great support to expeditiously solving the problems in funds, materials, and transportation that may emerge in the course of developing animal husbandry in order to create a fine environment for animal husbandry's large-scale development.

Shanghai Nationalities Work Conference Ends

OW2402062692 Shanghai People's Radio
Network in Mandarin 2300 GMT 22 Feb 92

[Report by station reporter Zhu Mei and correspondent Wang Wei; from the "Morning News" program]

[Text] A municipal nationalities work meeting, convened by the municipal party committee and the municipal government, ended at the Shanghai Exhibition Center yesterday [22 February].

Chen Tiedi, deputy secretary of the municipal party committee, made a speech on ways and means to implement the guidelines of the Central Nationalities Work Conference in improving ethnic affairs in Shanghai. He stressed the needs for adopting effective measures in the light of realities in Shanghai in strengthening the education on Marxist outlook on nationalities and on the party's policy toward ethnic minorities, ensuring equal rights for them, respecting their customs and traditions, rendering support to relevant departments in regions inhabited by minority nationalities, and exercising greater leadership over nationalities work.

He said: Because the nationalities work is a formidable task that involves a wide range of areas and has a strong political orientation, the nationalities affairs department alone cannot handle the task appropriately. Therefore, party and government organizations at all levels should work together to carry out the task successfully. All party and government leaders should listen to the voice of ethnic minorities, help them solve practical problems that can be solved, and actively create and improve the working conditions for nationalities affairs departments at all levels.

Li Zemin Inspects Hangzhou Development Zone

OW2202224692 Hangzhou Zhejiang People's Radio
Network in Mandarin 1000 GMT 22 Feb 92

[From the "Provincial News Hookup" program]

[Text] Secretary Li Zemin and Deputy Secretary Liu Feng of the Zhejiang Provincial Party Committee, and Zhejiang Vice Governor Li Debao yesterday assembled leading members of 13 provincial departments—including the provincial science and technology commission, the provincial planning and economic commissions, and the provincial financial department—and the Hangzhou municipal party committee and the Hangzhou municipal government to inspect the Hangzhou

high- and new-technology development zone and hold an on-the-spot meeting there to help the zone solve its problems. Li Zemin underscored the need of attaching importance to the construction of the zone and handling special projects with special measures to improve efficiency and speed up construction.

The establishment of the Hangzhou high- and new-technology development zone was approved by the provincial government in March 1990. Its operation has quickened in all fields since last March when it was designated as a high- and new-technology development zone of the state. Although the 90 enterprises that have been established there are producing some high- and new-technology products with great development potential, the zone's development is hindered by certain practical problems.

Li Zemin and other leading members thoroughly inspected six high- and new-technology enterprises in the zone—the Hangzhou Electronics and Laser Technologies, the Zheda [Zhejiang University] Intelligence-Control Technologies, the Zheda Semiconductor Plant, the Tongpu Electric, the Yipu Telecommunications Equipment Company, and the Pukang Medical-Biotechnology Company. They listened to the views of three academicians of the Chinese Academy of Sciences in Zhejiang—Lu Yongxiang, president of Zhejiang University; Mao Zengsheng, president of the Zhejiang Institute of Medical Science; and Que Duanlin, director of the Zhejiang University's Silicon Laboratory—heard a briefing about the zone's construction, and joined everyone in attendance in discussing and studying problems confronting the zone. Li Zemin, Liu Feng, and Li Debao spoke at the meeting.

Li Zemin stressed that to make the Hangzhou high- and new-technology development zone a success, leading authorities in Zhejiang and Hangzhou must heighten their awareness of the zone's importance. He said: Building the zone is an actual step in implementing the CPC Central Committee's and Comrade Deng Xiaoping's instructions that we should expedite reforms and openness, that science and technology are the primary productive forces, and that we should develop and industrialize high technology. Building the zone is also an important measure for implementing Zhejiang's strategy of improving the province's overall economic performance and building a foundation for achieving higher economic returns. All provincial and municipal authorities must attach great importance to the construction of the zone and intensify its publicity. We should continue to implement all the requirements set by the provincial government last year about making the development zone a success. The zone's construction should be based on practical needs, and we consider all options and coordinate its development with Zhejiang's economic development strategy so that it can help rebuild Zhejiang's traditional industries. Since the zone has a great number of colleges and research units, we should make use of this advantage and charge them as well as the large and medium-size enterprises in the zone to play

the main part in exploiting the zone's resources and applying science and technology in production. In this way we can create a short cut to reach the goal of achieving high output and high returns with limited investment. We should properly handle the relationship of making use of the old zone and building the new zone. The construction of the new zone must be planned comprehensively. Its projects should be carried out in such a way that they can promote development steadily. We should draw up as quickly as possible the development zone's preferential policies and improve its soft and hard environments that facilitate operation and personnel training. The development zone should open wider to other parts of the country as well as the outside world. It should develop and nurture its science and technology market and properly integrate science, industry, and trade so as to promote the commercialization of high- and new-technology. Provincial authorities, and especially authorities in Hangzhou, should intensify their efforts in leading the operation of the development zone. In the spirit of handling special projects with special measures, provincial and municipal authorities should simplify all formalities so as to improve efficiency and provide better services.

Liu Feng urged all provincial and municipal authorities to heighten their awareness, achieve a consensus of views, and do everything possible to facilitate the construction of the development zone. He also urged them to further emancipate their minds, increase the intensity of development, guard against overeagerness for success, and draw up reliable and practical developmental measures.

Li Debao spoke on issues about consensus of views, leadership, and construction planning.

(Li Jinmin), secretary of the Hangzhou Municipal Party Committee; and (Zhang Mingguang), vice mayor of Hangzhou, were present at the on-the-spot meeting.

Central-South Region

Xie Fei Views Socialist Ideological Education

HK2202073292 *Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 18 Feb 92*

[Text] A provincial conference on socialist ideological education work in rural areas concluded in Shunde County yesterday.

Provincial party committee Secretary Xie Fei and Deputy Secretaries Guo Rongchang and Zhang Guoying attended the conference.

Xie Fei delivered a speech in which he stated: The first-phase socialist ideological education conducted in the rural areas has been very successful and has yielded both excellent results and good experiences. Practice has borne out that the broad masses of cadres and people in the rural areas are fully in favor of putting an end to the past leftist practice, adhering to economic construction as the center, and integrating propaganda and education

with resolution of realistic problems. The second-phase and third-phase socialist ideological education to be unfolded this year must be rendered even more successful. To this end, party committees at all levels and all socialist ideological education work teams must strive to raise socialist ideological education work in the rural areas to a higher level.

On how to successfully further ideological work at the grass-roots level in the rural areas on a regular basis, Xie Fei put forth the following four requirements:

1. It is necessary to unfold activities of building civilized villages and civilized households.
2. It is necessary to give full scope to the role of various grass-roots organizations in the rural areas, especially the role of various party branches in the rural areas.
3. Leading organs at all levels must transform work style, go deep into the grass-roots level, and help the grass-roots level tackle realistic problems.
4. It is necessary to muster forces and concentrate time on resolving problems cropping up in the rural areas at different stages.

Deng Hongxun Inspects Development Zone

HK2402031892 Haikou Hainan People's Radio
Network in Mandarin 2300 GMT 21 Feb 92

[Text] On the afternoon of 19 February, provincial CPC committee Secretary Deng Hongxun inspected Hainan's (Guilinyang) Economic Development Zone.

At a reception in the (Guilinyang) Economic Development Zone, Secretary Deng listened to a work report given by Lin Xinyang, director of the (Guilinyang) Economic Development Zone Management Committee. Deng also inquired in great detail about the difficulties and problems the (Guilinyang) Economic Development Zone has encountered in its development and construction thus far. Deng asserted: In order to promote continued development and construction, it is necessary to invite more qualified personnel and to not only rely on experts from outside but also to organize and train local experts. [words indistinct]

Secretary Deng maintained: (Guilinyang) differs from Yangpu in that (Guilinyang) already possesses relatively good infrastructure. Along with its continued development and construction, (Guilinyang) is expected to gradually rationalize its existing structure. Under such circumstances, (Guilinyang) should initiate a large-scale land reclamation endeavor and a phased land development drive with the stress on increased economic results. [words indistinct]

Hou Zongbin Inspects Disaster-Stricken Area

HK2202073392 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 20 Feb 92

[Excerpts] From 14 to 19 February, Hou Zongbin, provincial party committee secretary, and Song Zhaosu,

vice governor and member of the provincial party committee Standing Committee, went to the disaster area in Sanmenxia, Luoyang, on an inspection tour.

During the inspection, Secretary Hou and Vice Governor Song stressed: We should have a full understanding of the gravity of the drought in western Henan and mobilize the whole party and whole people to wage a tough battle with the drought.

The whole year's work depends on a good start in spring, but western Henan is now awfully plagued by its most serious drought in the last 100 years. [passage omitted]

After the inspection, Hou Zongbin and Song Zhaosu pointed out: In western Henan, the losses caused by the drought are very serious and the situation is worrying. The drought has seriously affected the work in all fields, agricultural production in particular. There has been a drop in output for three quarters running. This year, the drought has rendered 1.3 million mu of land unsuitable for growing wheat. [passage omitted] We must display the spirit of conquering nature. The heavens may bring drought, but we can go all out to reduce the losses caused by the disaster to the minimum. It is necessary to tell the cadres that they must rely upon the masses and put their interests above everything else in everything they do. The masses have a vast reservoir of enthusiasm and creativity. We must arouse them to action and discard the idea of living on heaven's mercy and the government's relief. We must rely on our own efforts to provide for and help ourselves by engaging in production. [passage omitted]

Xiong Qingquan Visits Jishou University

HK2202011592 Changsha Hunan People's Radio
Network in Mandarin 2300 GMT 16 Feb 92

[Text] Yesterday morning, accompanied by party and government leaders of Xiangxi Tujia-Miao Autonomous Prefecture, provincial party committee Secretary Xiong Qingquan and Deputy Secretary Yang Zhengwu, along with Deng Youzhi, provincial Chinese People's Political Consultative Conference committee vice chairman, arrived at Jishou University where they called on and extended, on behalf of the provincial party committee, Lunar New Year greetings to teachers and staff members busy preparing for the new semester work.

Xiong Qingquan, Yang Zhengwu, and other leaders also visited in high spirits the construction site of the new campus of Jishou University, as well as the Animal and Plant Specimen Room of the Biology Department and the Nationality Music Department of Jishou University, where they held cordial talks with the university teachers and staff members. The provincial leaders expressed satisfaction over Jishou University's in-depth education reform, cooperation with various counties in academic management, and contributions to the economic development of various ethnic minority areas, as well as the social development of Xiangxi.

Secretary Xiong pointed out: Education is the foundation for Hunan's development through science and technology. All higher learning institutions must orient their work to economic construction, make full use of their own superiorities in science, technology, and qualified personnel, carry out scientific research, and tackle thorny scientific and technological problems.

Xiong emphatically stated: Now that the central authorities have formulated the general principles and policies and the provincial party committee has set forth specific goals for uniting closely and making concerted efforts to bring about a comfortably well-off life, all scientific, technological, and education departments must vigorously integrate agriculture, science, and education, carry out vocational and technical training, and train more qualified personnel capable of applying science and technology to Hunan's development.

Chen Bangzhu Attends Supervisory Work Conference

HK2202073492 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 20 Feb 92

[Excerpt] At the provincial conference on supervisory work held yesterday, Chen Bangzhu, governor and deputy secretary of the provincial party committee, stressed: We must wage a long-term battle with corruption. At present, Hunan sees political and social stability and economic development. This is an outcome of our adhering to party leadership and taking the road of building socialism the Chinese way. But we should be aware that we have to settle many problems before we can preserve the good situation. The tasks before us are quite complicated. It is necessary to push forward party building, strengthen the political power, and build a clean and honest government. We must commit our cadres to strictly enforce the party's policies, be industrious in performing their official duties, and maintain integrity, and take a firm grasp of the struggle against corruption so we can build a great wall against peaceful evolution.

Chen Bangzhu continued: Party committees and governments at all levels should deepen their understanding of the supervisory work and attach great importance, be concerned about, and support the work. All departments concerned must play a supporting role. Comrades in charge of supervision should also make progress in their own development, become more competent professionally, and set an example of being honest and impartial in performing their official duties.

Chen Bangzhu fully reaffirmed the achievements scored by supervisory departments over the last few years. He set forth five requirements for supervisory work in 1992.

1. Integrate the education in anticorruption with the socialist ideological education.
2. Further improve supervisory rules and regulations and the supervisory mechanism.

3. Continue to investigation and act on cases involving violations of the law and lack of discipline, major and important cases in particular.
4. Focus on supervising leading cadres at all levels and the cases seriously arousing public concern.
5. Keep close ties with departments concerned. [passage omitted]

Southwest Region

Sichuan Province Accelerates Economic Reforms

OW2302073992 Beijing XINHUA in English 0716 GMT 23 Feb 92

[Text] Chengdu, Feb. 23 (XINHUA)—Sichuan Province, the most populous province in China, will accelerate the reform of a new number of state-run enterprises in this year.

According to the provincial production committee, the trial reform schemes will include transformation of management mechanisms, implementation of sub-contracting for the factors of production, and changing some of the production rights.

Sichuan has a high concentration of large and medium-sized state-run enterprises. It began to introduce reforms to 100 such entities in 1990.

With the focus on labor, salary, and insurance systems, the reforms aim to make officials efficient at either low or high positions, and to give enterprises the right to hire and fire staff.

One reform practised in Deyang City was designed to improve the returns of state-owned assets by setting up property rights organizations.

Another reform was the sub-contracting of factors of production in five enterprises.

XINHUA Notes Tradition of Tibet-Beijing Ties

OW2302073192 Beijing XINHUA in English 0210 GMT 23 Feb 92

[Text] Beijing, February 23 (XINHUA)—Soinam Bainjor, a well-known Tibetologist, said today in Beijing that the relationships between ancient Tibet and the central Government of China was one of political subordination.

According to Soinam, the deputy director of the China Tibetology Research Center, this meant that the Tibet Plateau has always been an inseparable part of China, even though some people abroad are now attempting to disprove that fact by citing "Cho-yon Relationships" between benefactors and abbots.

Soinam, who has long been involved in the research and translation of Tibetan literature, said that precise historical records exist concerning the relationship between ancient Tibet and the central government of China.

That relationship, according to Soinam, was not only a benefactor-beneficiary relationship, but was also a political relationship. In fact, he said that the political relationship existed long before the benefactor-beneficiary relationship.

He pointed out that long before the reign of Genghis Khan which began in 1206, the central authorities in China had established a political relationship with Tibet. Historical proof of such a relationship can be found in ancient history books written by members of the Han, Tibetan and Mongolian nationalities.

Soinam said that in 1206 when Genghis Khan sent troops to Tibet they were welcomed by some 300 Tibetan officials who treated them to numerous banquets. The Tibetan officials at that time expressed their willingness to submit to the rule of the khan.

Two years later when Genghis Khan's troops were fighting in central Asia his calvary established a headquarters in the vicinity of Ali in western Tibet. Ali was in fact the first part of Tibet to submit to the rule of Genghis Khan.

Soinam pointed out that historical records prove beyond a doubt that relations between the central authorities and Tibet were from the very beginning political and military in nature. He added that they also prove the non-existence of a benefactor-beneficiary relationship at that time.

Soinam cited another example: in 1247 the religious leader of Tibet, Sapan, announced his letter to other local religious leaders. In the letter, Sapan time and again instructed his fellow men to accept the jurisdiction of the Mongolian empire of Genghis Khan (rulers of China at that time).

Through two rounds of peaceful political negotiations, Soinam noted, Tibet's submission to the Mongolian empire was realized. The relations between the region of Tibet and the Yuan Dynasty were one of subject-ruler.

On the Cho-yon relations, Soinam added, the religious relationships between benefactors and beneficiaries of the various dynasties and Tibet existed, but the prerequisite of the Cho-yon relationships was the political ties between them. Without Tibet's subordination to the central authorities, he said, there will be no religious Cho-yon relations.

Soinam said the relations between the central Yuan Dynasty government and Tibet was from the very beginning built on the basis of politics. The negotiations, as he mentioned earlier, were conducted to stop the regional separation in Tibet and to facilitate the submission process.

"Of course," Soinam said, "when we talk about political relations, we do not deny the religious benefactor-beneficiary relationship. We regard the latter as derived from the political one. The religious ties were conducive to Tibet's unification with the other parts of China."

Soinam said that over the many dynasties in Chinese history, Tibet has always been a subject of the central government, as we find in the Ming and Qing Dynasties.

During these periods, local religious leaders acknowledged allegiance to the emperors of the three dynasties and accepted their leadership.

Leaders Attend Regional Public Security Meeting

OW2102091392 Lhasa Tibet Television Network
in Mandarin 1230 GMT 20 Feb 92

[From the "Tibet News" program]

[Text] The Ninth Tibet Regional Public Security Meeting was held in Lhasa on 20 February. The meeting will convey and implement guidelines set by the 18th National Public Security Meeting; sum up Tibet's public security work, especially the region's basic experience in struggling against splittists, since the Third Plenary Session of the 11th CPC Central Committee; analyze the situation of the struggle; and study and decide the region's basic public security tasks and general policies for the coming period.

Attending the meeting were Gyamco, vice chairman of the Tibet Autonomous Region; responsible persons of party committees of all prefectures, cities, and counties; and directors of public security departments and bureaus of all prefectures, cities, and counties, totalling nearly 700 people. Baima Duoqi, director of the Tibet Regional Public Security Bureau, delivered an opening speech at the meeting; Zhou Qishun, secretary of the party group of the Tibet Regional Public Security Bureau, relayed the guidelines set by authorities concerned, as well as instructions by leading comrades of the central authorities. [Video shows dozens of uniformed public security officers and a few government leaders attending, speaking at the meeting]

Gyaincain Norbu Address

OW2302014692 Lhasa Tibet Television Network
in Mandarin 1230 GMT 22 Feb 92

[Report by station reporters Ning Xin, Gong Sang, and Dacheng Dama; from the "Tibet News" program—read by announcer]

[Text] At the ninth regional public security meeting held on 22 February, Gyaincain Norbu, chairman of the regional government, delivered a speech entitled "Strengthen and Orient Public Security Work to Serving Social Stability and Economic Construction."

Gyaincain Norbu said: Under the new situation, we are facing a new challenge in public security work in Tibet. To improve public order is of great importance for ensuring the smooth progress of socialist modernization in the region and for opposing separatism, infiltration, subversion, and peaceful evolution.

Gyaincain Norbu further said: We must gear public security work to serving economic construction, must reinforce the functions of the dictatorship, must persist in combining special campaigns with generic work, must follow the mass line, and must energetically organize cooperation and coordination among concerned departments.

Gyaincain Norbu added: Keeping in mind the revolutionarized, regularized, and modernized objective, we should train a contingent of well-trained and disciplined public security cadres who are politically reliable and proficient in professional work, who have a tough work style and strong fighting spirit, and who perform duties with honesty.

Gyaincain Norbu stressed: Public security organizations must conscientiously accept the party's absolute leadership, must maintain a high degree of political stability with the party Central Committee, must enhance the sense of organizational discipline, and must resolutely implement and obey the party committees' relevant resolutions.

Regional leaders Basang, Zi Cheng, (Lie Que), Feng Jun, Gyamco, and Gong Daxi attended the meeting.

Baima Duoqi, director of the regional public security department, officiated the meeting.

Authorities Deny Ban on Tourism to Tibet

HK2202040992 Hong Kong AFP in English
0346 GMT 21 Feb 92

[Text] Beijing, Feb 21 (AFP)—Chinese authorities denied Saturday that they have banned tourism in Tibet during the local new year and sensitive anniversaries of anti-government rallies.

"The Tibet People's Government has never made such an order," an official for the region's foreign affairs office said by telephone.

He dismissed as "rumor" statements by officials at the Lhasa Holiday Inn and other hotels that they have been ordered not to take new bookings until March 15.

Foreigners now working and traveling in Tibet could remain over the Tibetan new year on March 5 and no extra special security precautions were being taken in the period, the official, Ju Jianhua, said.

The ban on new hotel bookings was apparently aimed at reducing the number of foreigners in Tibet for fear of a repetition of separatist riots that broke out on March 5 in both 1988 and 1989.

Buddhist monks have led a violent separatist movement against the Chinese authorities, who say they "peacefully liberated" the Himalayan area in 1951 by sending in the Army.

Large-scale riots have hit Lhasa in recent years, prompting the Chinese Government to declare martial law in March 1989. It was not lifted until 14 months later.

March 10 is another sensitive anniversary marking the failed 1959 uprising that forced Tibet's spiritual leader, the Dalai Lama, to flee to exile in India.

Tibet People's Congress Plans Fifth Session

OW2102075692 Lhasa Tibet Television Network
in Mandarin 1230 GMT 20 Feb 92

["Decision of the Standing Committee of the Fifth Tibet Autonomous Regional People's Congress on the Timetable for Convening the Fifth Annual Session of the Fifth Tibet Autonomous Regional People's Congress; Approved on 20 February 1992 by the 18th Meeting of the Standing Committee of the Fifth Autonomous Regional People's Congress;" from the "Tibet News" program—read by announcer]

[Text] The 18th Meeting of the Standing Committee of the Fifth Tibet Autonomous Regional People's Congress decided that the Fifth Annual Session of the Fifth Tibet Autonomous Regional People's Congress will be convened in Lhasa in the second quarter of 1992.

The members at the meeting proposed that the annual session hear and deliberate on a work report by the autonomous regional people's government and a report on the execution of the autonomous regional plan for national economic and social development in 1991 and a draft plan for 1992; and deliberate and approve the execution of the autonomous regional plan for national economic and social development in 1991 and the draft plan for national economic and social development for 1992.

It suggested that the annual session hear and deliberate on a report on the execution of the autonomous regional budget for 1991 and a draft budget for 1992; and deliberate and approve the autonomous region's final accounts for 1991 and the draft budget for 1992.

In addition, the meeting also suggested that the annual session hear and deliberate on work reports by the standing committee of the autonomous regional people's congress, the autonomous regional higher people's court, and the autonomous regional people's procuratorate.

Yunnan Party Secretary on Minority Work

HK2202072192 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 14 Feb 92

[Excerpts] A three-day provincial party committee conference on nationality work ended yesterday in Kunming. The conference called on the entire party to maintain close ties with minority nationalities and close touch with practical situation in areas inhabited by minority nationalities, comprehensively implement and pursue the party's basic line, establish a firm Marxist

nationality viewpoint, consolidate and develop a socialist nationality relationship, strengthen nationality solidarity, and strive hard to realize the second-step strategic goals.

At the start of the conference, Pu Chaozhu, Yunnan provincial party secretary, relayed the spirit of the central conference on nationality work, and delivered a speech on our province's practical situation.

During the conference, participating comrades conscientiously studied and discussed General Secretary Jiang Zemin's and Comrade Li Peng's reports delivered at the central conference on nationalities work and studied and discussed Comrade Pu Chaozhu's speech made at this conference. [passage omitted]

He Zhiqiang, provincial party deputy secretary and governor, made a concluding speech at the end of the conference. He said: The present nationality work conference convened by the provincial party was very timely and completely necessary. All of us, through the study of the Marxist nationality viewpoint and party policy on nationalities and an analysis of the new domestic and international situations, have deepened the understanding of the protracted and complicated nature and importance of nationality problems, and heightened the sense of urgency and awareness of doing a good job in nationality work, thus laying the foundation for opening up a new dimension in our province's nationality work. [passage omitted]

Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, relayed at the provincial party committee-convened nationality work conference, the spirit of the central conference on nationality work, stressing: Expediting minority nationalities' economic and cultural development and gradually resolving the de facto economic and cultural inequalities between nationalities and localities, are the main tasks for nationality work in the 1990's.

After summing up and reviewing our province's achievements and experiences gained in nationality work, Pu Chaozhu forwarded the following tasks as ways to strengthen nationality work in the 1990's: First, expedite economic development in minority nationality regions by adopting measures that suit local conditions, giving play to strong points and avoiding weak points; and state efforts to run enterprises and exploit resources must be closely integrated with giving impetus to, and developing economies in, minority nationality regions and improving nationality cultural and technological quality. The development of processing industries in cities must be closely integrated with the construction of raw material production bases in minority nationality areas. We must pursue larger-scale joint development between various scientific research units and various operational units in supply and sales, commercial and foreign trade sectors and townships, villages, and cooperatives in minority nationality areas; and establish commodity production bases with advanced technological levels.

With state support, all minority nationalities in mountainous and dike areas must undertake joint infrastructural projects such as water and electricity supply and road works, and comprehensive agricultural development. We must also deepen reform and expand opening up to the outside world, introduce investment from abroad and establish laterals ties at home, develop border trade with which to stimulate economic development in border nationality areas.

Second, we must develop education and science and technology in minority nationality areas. Economic development must be integrated with intellectual resources; raise the cultural and technological quality of people of various nationalities. Taking education as the foundation and invigorating agriculture with science and technology has become the fundamental strategic mission in doing a good job in nationality work. The entire party must attach importance to it, and the entire society must show concern for it, and there must be coordination among various sectors and more practical services for developing nationalities' education and science and technology of people.

Third, we must earnestly handle well complicated social contradictions in minority nationality areas.

Fourth, we must uphold a Marxist world outlook and nationality viewpoint, and vigorously train minority nationality cadres.

Fifth, we must uphold and perfect the autonomous system in areas of minority nationalities, and continue to enforce relevant laws.

On ways to strengthen party leadership over nationality work, Pu Chaozhu stressed: All party committees at or above the county level must, in a down-to-earth manner, do a good job of the three following things: One, taking the opportunity of relaying and implementing the spirit of the central conference on nationality work, they must conscientiously and extensively and thoroughly conduct a reeducation in the entire party in Marxist nationality viewpoint and party's nationality policies. Two, party committees and governments at all levels must grasp organization and coordination in the work to expedite economic and social development in nationality areas; genuinely and sincerely support and help minority nationality regions develop their economies. And three, party committees must earnestly analyze the adjustment of production structure in minority nationality areas, adopt measures that suit the local conditions, provide guidance to different areas, and set right the direction in order to expedite economic development in minority nationality areas.

Yunnan Governor Addresses Art Festival Reception

HK2102153092 Kunming Yunnan People's Radio
Network in Mandarin 1000 GMT 20 Feb 92

[Excerpts] The provincial people's government held a grand reception at the (Xinlong) Hotel in Kunming

yesterday evening to accord a warm welcome to distinguished guests from foreign countries who are here in Kunming to attend the third Chinese art festival.

Leaders from provincial and Kunming City party committees and governments Pu Chaozhu [provincial party committee secretary], He Zhiqiang, Li Guiying, Wang Guangxian, et al attended the reception. (passage omitted)

He Zhiqiang, governor and vice chairman of the third Chinese art festival, addressed the reception. He said: The third grand and colorful Chinese art festival has opened in Kunming. Some 1,700 distinguished guests from 27 foreign countries and Hong Kong, Macao, and Taiwan happily gathered in the city of spring, adding joy and luster to our grand festival. I should like to take this opportunity to extend a warm welcome to our distinguished guests. On this ancient land of Yunnan, there are 26 nationalities with their own unique and colorful cultures, which constitute the apple of the eye in the Chinese nation's cultural treasure house. The nationalities jointly created a brilliant Chinese civilization. For the last 40 years, especially since the decade-long reform and opening, the nationalities in Yunnan have been united as one and made great strides in economic construction, bringing an earth-shaking change to the ancient red land. In the future, while firmly carrying out the reform and open policies, we shall inherit and carry forward the fine cultural traditions of various nationalities and advance hand in hand to achieve common prosperity. Through the current art festival, I hope our friends will deepen their understanding of Yunnan, its brilliant and colorful cultures presented by various nationalities, and promote the friendship and cooperation between us.

North Region

Beijing Seeking More Foreign Investment

HK2402014992 Beijing CHINA DAILY in English
24 Feb 92 p 2

[By staff reporter: "Beijing Frees More Firms To Expand Foreign Trade"]

[Text] Beijing is working to expand foreign trade and attract more foreign investment to boost the capital's economy.

The municipal government has recently granted eight more big State-owned companies the right to export and import goods.

XINHUA News Agency reports that this will bring to its highest level ever the number of firms in the capital authorized to carry on foreign trade but did not give the exact number.

A local government official was quoted as saying that the move is aimed at enabling those enterprises to use overseas funds, import technology and advanced management experience, and compete in world markets.

It was part of the effort to improve the efficiency of the capital's State-owned enterprises.

There are 347 large or medium-sized State companies in Beijing, and they account for some 7 percent of the total. However, their fixed assets make up 70 percent of the total and they contribute 77 percent of all the profits and taxes produced by State-owned firms in the city.

In 1991 such enterprises with special rights to do foreign business exported about \$125 million worth of goods, 37 percent more than the previous year.

In another development, the Beijing Overseas Chinese Exchange Society plans to invite more than 100 Overseas Chinese to Beijing next month for a series of trade and science exchanges, as part of its effort to promote overseas investment in the capital.

The plan was announced at a meeting in Beijing on Friday. The organization hopes these non-governmental exchanges will improve economic cooperation between Overseas Chinese and Beijing.

The goal of the society, which was founded last April, is to get Overseas Chinese to help promote the capital's economy and to expand scientific, cultural and educational exchanges.

In 1991, the society sponsored a photographic exhibition and sent a videotape entitled "Beijing, Home Town of Overseas Chinese," to 103 countries.

In addition, the society sent delegations to visit overseas Chinese in a number of foreign countries and regions and also hosted some 486 Overseas Chinese from Southeast Asia.

Beijing is reported to be approving an average of four overseas-funded projects a day, and to be planning to attract \$300 million worth of new foreign investment this year, 28 percent more than in record-breaking 1991.

The city approved 119 new joint ventures last month, with total promised foreign investment of \$32.77 million. That was 72 percent more than during the corresponding 1991 period.

The city is planning to set up an industrial development zone for foreign-funded firms.

Beijing Enterprises Awarded More Autonomy

OW2202151192 Beijing XINHUA in English
1433 GMT 22 Feb 92

[Text] Beijing, February 22 (XINHUA)—More Beijing enterprises have signed contracts with the Beijing Municipal Government, which empower them more autonomy and impose more responsibility on them as well.

At a signing ceremony today, 82 enterprises signed such contracts. Thus, 248 of the 282 big and medium-sized state enterprises have started deepening of reform.

This is part of the efforts of the Beijing Municipal Government to deepen the reform and revitalize large and medium-sized enterprises.

Mayor Chen Xitong presided over the ceremony and lauded the move by the enterprises.

The 282 large and medium-sized enterprises are the backbone of Beijing's industry, with total profits and taxes accounting for 77 percent of all the enterprises in the capital.

Last year some reform measures were taken by the municipal government in a bid to revitalize the large and medium-sized enterprises, but with few positive results because of the old rigid management system.

One factory director praised the measure as creating a better environment for the enterprises.

The contracts outline the new powers, including authority to draw up production plans, to set product prices, to approve technological project under the investment of five million, to have more personnel power within the enterprises and to set wages and bonus distribution levels.

Local officials noted that these changes will affect governmental functions, as governmental departments will have to fall in line with the new industrial situation.

Supervisory Organs Urged To Protect Reforms

*OW2202071992 Beijing XINHUA in English
0651 GMT 22 Feb 92*

[Text] Beijing, February 22 (XINHUA)—Beijing Municipal Government has urged the supervisory departments to renew efforts to protect reformers and punish those who unfairly take advantage of any economic reforms.

According to today's "BEIJING DAILY" newspaper, leaders of the Beijing government, including Mayor Chen Xitong and Vice Minister of Supervision He Yong, voiced the above spirit at a recent conference on supervisory work.

The leaders said that the supervisory departments will promote the construction of a clean government and investigate all corruption inside the government in order to safeguard the government's basic function to organize socialist construction.

It was decided at the conference that the supervisory departments at all levels must be more active in practicing their duty and give necessary warnings to those who risk violating laws and regulations before punishing them.

All supervisory departments are urged to make public any corrupt practices by officials, particularly leaders.

Hebei Government Holds Financial Conference

*SK2302055992 Shijiazhuang Hebei People's Radio
Network in Mandarin 2300 GMT 19 Feb 92*

[Text] At the financial conference of the departments directly under the province held by the provincial government on 19 February, departments directly under the province were urged to fully estimate the seriousness of the current financial difficulties and strictly control expenditures while stepping up efforts to cultivate financial resources and increase revenues so as to maintain a financial balance.

Provincial Vice Governor Guo Hongqi spoke to inform the major responsible comrades of the departments directly under the province of the current provincial financial situation and to analyze the major problems leading to strained financial resources at the provincial level. He said: Thanks to the implementation of the preferential policies in support of the endeavor to improve large and medium-sized state enterprises and the new measures causing reduction in revenues and increase in expenditures, the provincial financial department will be faced with more strained financial resources this year. To achieve the sustained, stable, and coordinated development in the economy of the province, the provincial government will adopt resolute measures to stop arranging new items of deficit budget. Departments directly under the province should firmly embrace the concept of economic finance, cultivate and create financial resources, and help large and medium-sized state enterprises to change their managerial mechanism and to succeed in ending deficits and increasing profits. In line with the principle of keeping expenditures within the limits of revenues and the principle of responsibility for budget, they should strictly control expenditures and take the lead in leading an austere life.

Guo Hongqi said: After study, the provincial government decided to particularly resolve the four issues concerning the control of expenditures this year. They are to control the number of administrative institutions and the size of staff, to reduce the expenses on meetings, to reduce the purchases of cars, and to reform the free medical service system. On the premise that rational demands are met, we should reduce expenses and overcome the practice of waste.

Provincial Governor Cheng Weigao emphasized at the conference: Provincial-level and local financial departments should make persistent efforts to maintain a balance between revenues and expenditures, keep expenditures within the limits of their revenues, and never arrange new items of expenditures. Enterprises of the province should keep market demands in mind, tap potential, improve efficiency, and strive to increase both production and income. They should be determined to carry out the measures for reducing the size of staff, the expenses on meetings, the purchases of cars, and the expenses on free medical service by means of in-depth reform.

Attending the conference were leading persons of the provincial party committee, advisory commission, people's congress, government, committee of the Chinese People's Political Consultative Conference, and discipline inspection commission, including Ye Liansong, Liu Shanxiang, Yang Zejiang, Bai Shi, Song Shuhua, and Du Jingyi.

South Korean, U.S. Firms To Invest in Tianjin

HK2302045492 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 23 Feb 92 p 1

[By Zhu Ling: "S. Korean, U.S. Companies Plan Tianjin Projects"]

[Text] Tianjin—The largest industrial city in North China is poised for a major breakthrough this year in attracting foreign investment: South Koreans are planning a massive financial involvement while a leading U.S. industrial giant is about to launch its largest Asian project here.

A reliable source told BUSINESS WEEKLY that South Korean businesses are likely to lease 1.2 square kilometres of land in the city's Economic and Technological Development Area near the port and turn it into the first South Korean industrial centre in China.

"Both sides are still working on the details of the contract, which has been under negotiation for more than a year," he said.

A high-level delegation, headed by the area's Vice-Manager Zhang Qide, is expected to leave for Seoul in March for what is expected to be the final round of negotiations with the Land Development Corporation, a leading real estate firm in South Korea.

"It looks good that both sides would put ink on the contract at the end of the talks," the source said, though he declined to say why it took a year to finalize the agreement.

He said that South Korea is planning to build 150 solely Korean-owned firms on the land, but he did not say how long the lease would be.

Motorola Inc of the United States is said to be approaching the final stage of its negotiations to start a \$120 million venture in the area to produce telecommunications equipment, including cellular phones.

The solely Motorola-owned company, which has been under negotiation for "quite a while," is expected to materialize in the near future, as a high-ranking Motorola official is coming to Beijing "shortly" for further talks, the source said.

The plant, which will cover 0.4 square kilometres of land, will be the largest industrial base that Motorola has ever built in Asia and also the largest single foreign investment project in Tianjin, he said.

South Korea, which is rapidly emerging as one of Tianjin's major investors, is said to be "very keen" to settle in the city because of its proximity to Beijing, its convenient transportation facilities and strong industrial background.

It is said the South Koreans are eyeing Tianjin as the first target for their business and Qingdao of Shandong Province as their second favorite investment spot in China.

Late last year, a passenger and freight vessel left Tianjin port for Inchon, marking the opening of the first navigation line between China and South Korea.

So far, South Korea has started nearly 20 firms in the zone with products ranging from machinery to shoes to foods, with a total Korean investment of \$20 million.

The source said that the new South Korean businesses will mainly produce textiles, electronics, garments, and building materials.

He said that the annual leasing fee for one square metre is around 20 yuan (\$3.70), and the land has been levelled and will be ready for investment and construction in April.

Early last month, China and South Korea signed a trade pact in Beijing to grant most-favoured-nation treatment to bilateral exports.

Trade analysts describe it as conducive to the further development of bilateral, non-governmental trade.

It is said both sides are working on the pact to protect and promote bilateral investment, but it is not known when the agreement will be signed.

The 33-square-kilometre Tianjin Economic-Technological Development Area, a reform laboratory in northern China, was set up on a vast seaside wasteland in late 1984.

Now, more than 350 foreign-funded enterprises have been approved with a total foreign investment of \$600 million.

Northeast Region

Sun Weiben Attends Opening of CPPCC Session

SK2302073592 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 21 Feb 92

[Excerpts] The fifth session of the sixth Heilongjiang Provincial Committee of the Chinese People's Political Consultative Conference [CPPCC], with unity and democracy as the main theme, ceremoniously opened at the theatre of the Harbin Beifang Building this afternoon. [passage omitted]

Members of the provincial CPPCC committee attending the meeting gathered together under the same roof to jointly discuss major plans for developing Heilongjiang.

At 1400 in the afternoon, Wang Zhao, chairman of the provincial CPPCC committee, declared the session open. [passage omitted]

Sun Weiben, secretary of the provincial party committee, gave a report on the situation and tasks, entitled: "Fully Use the Increasingly Favorable International Environment, Pay Full Attention to Construction, and March Toward the Goal of Becoming Better-off With Joint Efforts." In his speech, Sun Weiben conscientiously analyzed our province's economic and social development situations. He stressed: Wholeheartedly pushing economic construction forward and uniting with and leading the masses of people to march toward the goal of becoming better-off are the major political tasks of our party during the 1990's. The basic work ideas of the provincial party committee during the 1990's are to regard the work of uniting with and leading the masses to march toward the goal of becoming better-off as a banner for directing all fields of work throughout the province and a connection point for cementing the strength of all social strata. All tasks of the party committees and governments should be advanced in close connection with this central task, and all undertakings should be carried out in close connection with this goal. It is necessary to keep our eyes on solving the prominent contradictions that restrict our province's economic development in line with the characteristics of the provincial situation and the demands of the goal of becoming better-off and implement the ideas of work defined by the provincial party committee.

In referring to how to make the CPPCC work correctly to display a role to meet the demand of becoming better-off, Sun Weiben said: The CPPCC is an important organizational form for democratic parties and democratic figures to participate in the discussion and administration of state affairs. We should strive to perfect the system of political consultation and democratic supervision and further promote the building of socialist democratic politics. The CPPCC has the characteristic of extensive connections. It is necessary to mobilize all positive factors, unite with all forces that can be united, and realistically organize the masses of all social strata to join in the practice of becoming better-off with joint efforts. The CPPCC has the advantage of having a galaxy of trained personnel. We should organize men of insight to display their ability, concentrate efforts on solving difficult problems in economic development, and promote the implementation of the work.

Comrade Sun Weiben said in conclusion: All committee members and comrades, we are firmly convinced that through the common efforts of the people across the province, our province's economic situation will surely be improved day after day, the brilliant goal of becoming better-off will surely be realized on schedule, and a vigorous and new situation will surely be seen on the vast land of Heilongjiang.

Inspects Zhaodong City

SK2302124092 Harbin Heilongjiang People's
Radio Network in Mandarin 2200 GMT 20 Feb 92

[Text] During an inspection tour in Zhaodong, Sun Weiben, secretary of the provincial party committee, pointed out that from now on leading cadres at all levels should emancipate their minds more, have more courage, and take more rapid steps so that Heilongjiang will catch up with the economically developed localities in southern China in economic development as soon as possible.

Comrade Sun Weiben pointed out: The three calls for more constitute calls put forward by the party Central Committee in view of the international and domestic situations in which international socialism suffered setbacks, the domestic endeavor of improvement and rectification was brought to a temporary close, and the economic situation took a turn for the better. It was directed toward some provinces and cities in southern China where reform and opening up were conducted fairly vigorously. However, Heilongjiang Province still lags far behind the localities in southern China and its reform steps are much slower. This being the case, our leading cadres at all levels should all the more thoroughly understand the immediate significance of the call, achieve a common understanding, emancipate their minds more, have more courage, and take more rapid steps. When localities in southern China emancipate their mind 20 percent more, we should emancipate our minds 30 percent more; and when they quicken their steps by 20 percent, we should quicken our steps by 30 percent. Only in this way can we catch up with them as soon as possible and enable Heilongjiang's economy to develop by leaps and bounds.

He said: Zhaodong will designate an urban street where peasants from rural areas can develop industrial and commercial units and develop special zones in advanced towns and townships. Such methods are very much in conformity with the guidelines of central leaders' recent speeches.

He pointed out: When developing the county economy, all localities should exert efforts to achieve the four integrations, especially the integration of the urban economy with the rural economy, in which a breakthrough has yet to be made by various cities and counties. To do so, we should strengthen and improve the functions of county governments. On the one hand, provincial and prefectural pertinent departments should delegate power to lower levels and enable county governments to perform their functions. On the other hand, we should change the functions of county governments in line with the requirements of in-depth reform. County-level units in charge of agriculture should establish economic entities in line with the principle of reducing the size of government and extending their service. By doing so, they can not only streamline their personnel but also achieve success in providing coordinated service. Meanwhile, we should also do a good job in

adjusting the structure, cultivating and developing the market system, and solving problems in the supplies of funds to develop and expand the county economy.

Sun Weiben also pointed out: At present, all localities should regard the large-scale discussion on the endeavor of achieving a fairly comfortable life as the banner leading the rural work and coordinate it with the rural socialist ideological education to promote the rural work as a whole. In the specific work concerning the discussion, we should organize it well and carry it out successfully so that animated discussion will take place in the province and it will pay dividends.

During their inspection tour in Zhaodong on 19 and 20 February, Sun Weiben, secretary, Ma Guoliang, deputy secretary, and other leading comrades of the provincial party committee also inspected some enterprises and the households engaged in specialized production.

Jilin Holds Housing Reform Work Conference

SK2302143592 Changchun Jilin People's Radio
Network in Mandarin 2200 GMT 20 Feb 92

[Text] The provincial housing system reform work conference was held on 20 February. The province's main task for housing system reform for 1992 and 1993, as defined at the conference, is that large and medium-sized cities should take the reform of the low rent system as a breakthrough point; and establish housing funds by carrying out the accumulation fund system, the system of (?government buying bonds), and the method of collecting cash deposits. We should positively carry out the methods of collecting funds to build houses and of cooperatively building houses so as to eliminate dangerous houses and some housing difficulties. Small cities, counties, and towns should continuously take marketing of public houses as the main housing reform measure, vigorously carry out methods of collecting funds to build houses and of cooperatively building houses in line with the reform of the low rent system, and advocate different housing measures and means to promote housing system reform.

The conference pointed out: Large and medium-sized cities as well as counties and towns should positively carry out housing reform and be sure to readjust public house rents and readjust the paid use of [words indistinct] within this year. The province's public house rents in 1992 should double the present rents fixed by the real estate departments. The use of per square meter should be about 0.4 yuan. The housing subsidies must not surpass 2.5 percent of the staff and workers' standard salaries. We should positively and steadily market public houses. In line with the regulations of the state and provincial documents, we should reasonably fix the prices and strengthen the management of house prices. Meanwhile, we should work out, as soon as possible, appropriate methods for after-sale repair, service, and management of public houses. We should accelerate house construction and vigorously promote the overall development of urban areas. This year, the province

should basically accomplish eliminating housing difficulties. In line with urban construction and the overall development of urban areas, all cities and counties should rebuild a number of dangerous houses and shacks. We should readjust and relax the existing housing credit methods and set up, as soon as possible, housing credit policies as well as systems for housing credit management. All localities should establish and perfect the management organs of real estate markets, work out and perfect appropriate regulations on readjusting and controlling real estate markets, and strive to promote real estate business development.

Liaoning Holds Communications Work Conference

SK2302114692 Shenyang Liaoning People's Radio
Network in Mandarin 2300 GMT 20 Feb 92

[Text] The provincial government held a provincial communications work conference on 20 February in Shenyang to arrange for the various tasks for provincial communications work during the last four years of the Eighth Five-Year Plan period. As arranged by the province's 10-year program and the Eighth Five-Year Plan, the province's Eighth Five-Year Plan for communications construction has already taken shape through revision and perfection. Specific goals are: In road construction, the project of making various roads become a network should be carried out. In port construction, the principles of simultaneously building large, medium-sized, and small ports and simultaneously building large, medium-sized, and small berths should be carried out. In local railway construction, efforts should be made to continuously perfect the subsidiary projects for the Haicheng-Xiuyan Railway, to extend the railway a total of 6.56 km from Dandong to (Dadong) Harbor, and to newly build the 12.4 km railway line from Jinzhou's (Gaoqiao) to (Tianqiao).

Vice Governor Lin Sheng spoke at the conference. Assistant Governor Cong Zhenglong presided over the conference. Attending the conference were Cheng Jinxiang, Peng Xiangsong, and Wang Zhanyi, executive vice minister of communications.

Northwest Region

Qinghai Secretary Attends Agricultural Meeting

HK2302071592 Xining Qinghai People's Radio
Network in Mandarin 2300 GMT 21 Feb 92

[Excerpts] The provincial conference on agricultural production ended in Xining on 21 February. The meeting called on governments at all levels and departments in charge of agricultural production, guided by the resolutions adopted by the Eighth Plenary Session of the 13th CPC Central Committee and the provincial party committee's opinions on implementation of the resolutions, to focus on grain production, place the struggle against drought in a prominent position, and vigorously

apply set measures to strive for a bumper harvest in agricultural production in every possible way.

The meeting pointed out: We are confronted with two major tasks in agricultural production this year: Combating drought and increasing production. As we failed to fulfill the plan for grain production last year, we will be unable to attain the goal set in the Eighth Five-Year Plan as scheduled if we fail again this year. Therefore it is of great importance to fulfill the plan for oil-bearing crops and grain production, the latter in particular.

The meeting defined the goal for grain production province-wide this year, which is 28.7 million kg more than last year's figure, with total output standing at 1.175 billion kg. The land sown to grain will total 6.1 million mu. The output of oil-yielding crops will be at the same level as last year.

To guarantee the plan for agricultural production for 1992 will be fulfilled and that the province's grain output will reach 1.45 billion kg by the end of this century, the meeting called on governments at all levels to deepen their understanding of agriculture as the foundation of the national economy, improve their leadership over agricultural production, and carry out and improve policies for rural areas. Governments at all levels should, after making thorough investigations and studies, make greater efforts and take more effective measures to effect an upswing in agricultural production and push forward the rural economy.

The meeting pointed out: To deepen rural reforms, the most important thing to do is to energetically stabilize the responsibility system mainly featuring household-based contracts that link remuneration to output, constantly improve the dual management system combining unified and independent operations, vigorously develop the socialized service system, and gradually expand the strength of the collective economy.

The meeting called for all localities, with a view to combating drought, to step up farmland capital construction and the construction of water conservancy projects basically to improve conditions for agricultural production and to build up greater power for sustained development so that Qinghai's agriculture will scale a new heights.

The meeting also called on governments at all levels and scientific research institutes to work hand in glove to carry out the strategic plan for developing agriculture through application of science and technology and promotion of education, giving science and technology full play in developing agricultural production. [passage omitted]

During the meeting, provincial party committee Secretary Yin Kesheng, Governor Jin Jipeng, and Vice Governor Ma Yuanbiao gave speeches.

Shaanxi Secretary Addresses Ideology Meeting

HK2202073592 Xian Shaanxi People's Radio
Network in Mandarin 0030 GMT 21 Feb 92

[Excerpts] The four-day provincial conference on the pilot project work for socialist ideological education in urban areas ended in Xian yesterday.

Provincial party committee Secretary Zhang Boxing made a concluding speech. He called the departments concerned to strengthen leadership over and meticulously organize the campaign and to properly carry on the work of increasing the number of experimental spots for the education in urban areas. [passage omitted]

In his concluding speech, Zhang Boxing stressed: The socialist ideological education should aim at solving problems—ideological and practical problems. We should place ideological education in first place in trying to solve either ideological or practical problems. If we fail to stick to this principle throughout the campaign, we will be unable to attain the desired goal. The idea of setting the attempts to solve ideological problems against those to settle practical problems is incorrect. We should guard against the practice of replacing ideological education with providing solution to practical problems or vice versa.

Zhang Boxing went on: We must avoid formalism in conducting socialist ideological education in rural areas. During the forthcoming socialist ideological education, we must try to change our work style and do our work in a down-to-earth manner to leave a favorable impression on the masses. In arranging the education, we should place in a prominent position its theme and key tasks. [passage omitted]

In providing guidance for the education, we should try to enhance the awareness of quality. We should guarantee the quality of the education and carefully assess the results. It is necessary to commit all units concerned to attain particular objectives through the education. The education should be conducted all over again in those units that did the work perfunctorily and failed to attain the desired goals.

Zhang Boxing finally noted: The pilot project work for socialist ideological education in urban areas involve many aspects and difficulties. It is a complicated and systematic social project. The key to success lies in whether party organizations at all levels pay enough attention to the work. Administrative departments at all levels, trade unions, the Communist Youth League, and other organizations should also give full play to their own role. The media units should play a supporting role by doing the related propaganda work properly, helping the campaign to develop in depth and in a sound way. [passage omitted]

Xinjiang Separatist Organization's Extent Examined
*HK2302014992 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 23 Feb 92 p 9*

[By John Kohut in Beijing]

[Text] The detonation of a suspected Muslim separatist time-bomb on a parked bus in China's northwestern region of Xinjiang, where half the people are Muslims of Turkic origin, is a brutal reminder to the Chinese Government that it is vulnerable to the same sort of ethnic tensions which contributed to the collapse of the Soviet Union.

No group has taken responsibility for the February 5 bombing, in which six people were reportedly killed and 20 injured. Nevertheless, given Xinjiang's history of racial tension, separatists are suspected.

Local officials said the break-up of the Soviet Union had given fresh heart to separatists among Uygurs, the largest Muslim minority group in Xinjiang.

Yet analysts see little chance of any separatist movement in Xinjiang succeeding at this time.

Control in Xinjiang was strict and the military seemed capable of suppressing any separatist movement, they said.

And while some groups in Xinjiang might be envious of the autonomy the ethnic republics of the former Soviet Union have won, the relative prosperity of Xinjiang compared with the republics would probably work against a separatist movement, they said.

The strength of the separatists in Xinjiang is difficult to gauge.

Although theoretically Xinjiang is open to foreign correspondents, authorities have refused permission to journalists to make trips to the region for more than a year. This refusal demonstrates their tenseness.

Foreigners who have been to the region, either as tourists or on official business, say tension between the dominant Han Chinese and ethnic minorities is obvious.

"It was really clear that neither side mixes with the other, and both sides look down on each other," said a Western diplomatic who visited Xinjiang last October.

Residents were afraid to talk about the tensions, saying it was too dangerous, said the diplomat.

However, travellers saw few signs of an organized "separatist" movement, which the authorities say is being abetted by foreign hostile forces, and said tensions appeared to be of a more localized nature.

Xinjiang has long been considered by the central authorities as one of the most unstable areas of China.

The government's anti-separatist propaganda intensified following a riot in the south-western town of Baren in April 1990, in which about 50 people were reportedly killed.

The government blamed the "counter-revolutionary armed rebellion" on Muslim radicals determined to create a "Republic of East Turkmenistan", said [as published] a group called the Islamic Party of East Turkmenistan had declared a holy war against Chinese rule in the region.

However, one traveller who visited the area last October was told the rioting in Baren had been sparked by authorities' attempts to implement a two-child only family planning policy among minorities which hitherto had larger families. A specialist on minority affairs also said the Baren riots had been caused by tensions between the officials and ethnic minorities.

The disintegration of the Soviet Union which began after the failed coup last August alarmed the Chinese Government. Additional troops were reportedly sent to the border region, and Beijing sent a message to the provinces warning of an intensified secessionist movement in Xinjiang.

Several hundred pro-independence activists and ordinary residents reportedly demonstrated in Urumqi, the regional capital, for three days last October.

Despite such demonstrations a Beijing-based diplomat said: "I don't believe in a systematic plot of independence. If the Chinese want to step on the minorities, they can easily squeeze them."

"People may go out to demonstrate, but I did not get the impression of an organization," said another foreigner who visited Xinjiang late last year.

The minority affairs expert said the authorities did not see a spill-over effect from the former Soviet Union as being the most important potentially destabilising factor.

Rather, it was the growing income gap between the rich and poorer areas of the country which threatened to feed ethnic disgruntlement.

Although Xinjiang had become more prosperous in recent years, it lagged far behind places like Guangdong, where average incomes were 10 times higher than in the autonomous region, the expert said.

—Chinese authorities denied yesterday they have banned tourism in Tibet during the new year and sensitive anniversaries of anti-government rallies.

"The Tibet People's Government has never made such an order," an official for the region's foreign affairs office said.

Mr Ju Jianhua dismissed as "rumour" statements by officials at the Lhasa Holiday Inn and other hotels that they have been ordered not to take new booking until March 15.

Existence of Oil Reserves in Xinjiang Verified

HK2402022392 Beijing CHINA DAILY in English
24 Feb 92 p 2

[By staff reporter Chang Weimin: "Big Boost for New Xinjiang Oilfield"]

[Text] More Chinese oil experts are going to the Xinjiang Uygur Autonomous Region to reinforce petroleum development there.

The experts, among the industry's professional elite, are from the China National Petroleum Corporation (CNPC), which is the country's central authority for onshore development.

Huge reserves of oil and natural gas have been verified in the Tarim, Turpan-Hami and Junggar basins. Exact figures of the reserves remain secret.

Over the past decade, the industry has been sending picked professionals, and state-of-the-art technology and equipment, to the sites, which have been confirmed as containing petroleum resources significant for the national economy.

"More of our 'crack troops' and best equipment, some of it imported, will be plunged into oil development there," Zhou Yongkang, CNPC vice-president, said.

The corporation expected to complete drilling a number of important test wells this year in Tarim, so far believed to be the most promising area.

"We expect to verify before this year ends that reserves will be enough to meet development targets for the 1991-95 period," Zhou said.

Results so far suggest that five high-yielding oilfields can be built in Tarim.

Recent production from the well called Lunnan-59 has reached 98 cubic metres of crude oil and 1.2 million cubic metres of gas per day.

CNPC experts believe there are more oil-bearing structures around the well.

New finds were also made at the Jinan-1 and Lunnan-46 wells in the basin.

In the Shanshan zone, in Turpan-Hami, at least six oil-bearing deposits have been discovered which CNPC officials said would allow production targets there for the 1991-95 period to be fulfilled ahead of schedule.

Zhou said they expected to complete prospecting in the zone and push oil production there to three million tons this year.

The CNPC has great expectations from the zone, where 200,000 tons of oil were produced last year and 1,000 square kilometres prospected.

China produced some 140 million tons of oil in 1991, about 90 percent of it from fields in the northeastern and central areas.

However, experts say production growth in these oilfields would become difficult and development in Xinjiang has to be accelerated.

Xinjiang is expected to become the largest oil production base in China, under the industry's long-term development plan.

As a move to boost morale, the CNPC early this week made an award to Weng Wenbo as the industry's outstanding scientist. Weng has been regarded as one of the pioneers of the industry since the 1940s.

The 80-year-old Weng, who led the team that drilled China's first test well in the 1930s, is the only person ever to receive such an honour in the industry.

Analysts say the award is significant and signalled the CNPC's determination to give full play to its scientists and technologists.

Coalfield Fires Causing Losses in Xinjiang

HK2202082392 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1107 GMT 13 Feb 92

[Text] Urumqi, 13 Feb (ZHONGGUO TONGXUN SHE)—Fires have now been found burning in 37 coalfield areas in Xinjiang, covering almost 100 square km of land. A rough estimate suggests that coal resources worth 4 billion yuan are burned each year.

According to incomplete statistics by the Xinjiang Coalfield Fire Extinguishing Bureau, 2.1 billion metric tons of coal has been burned to ashes here, equivalent to the country's total raw coal output in two years. Thus Xinjiang suffers a loss of 100 million metric tons of coal each year.

Coalfield conflagration in Xinjiang has been caused by the arbitrary and willful excavation of small coal mines. Some coalfield fires have burned for several hundred years. None of the previous governments had ever shown concern for this. In the late 1950's, the Chinese Government started organizing people in putting out the fires. But progress has been very slow due to various reasons. In the last 30-odd years, only five fire areas have been extinguished, covering 5.65 square km of land.

The Xinjiang Coalfield Fire Extinguishing Bureau has summed up effective methods to put out fires. Experts said that technically speaking, it is absolutely possible to put out coalfield fires in Xinjiang, but the problem is a lack of money. The work to put out fires has been expedited since the 1980's, but only 0.3 to 0.5 square km

of fire area is extinguished each year. Based on this rate, it will take about 200 years to put out the coalfield fires here.

Xinjiang Congress Committee Ends Session

*OW2402053992 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 23 Feb 92*

[Video report from the "Xinjiang News" program]

[Text] The 25th session of the Seventh Autonomous Regional People's Congress [SARPC] Standing Committee ended in Urumqi yesterday. Amudun Niyaz, chairman of the Autonomous Regional People's Congress Standing Committee, presided over yesterday's meeting.

The meeting passed a draft agenda for the fifth session of the SARPC and decided to submit it to the preparatory meeting of the fifth session of the SARPC for examination and discussion. The meeting passed a draft namelist of the presidium and secretary general of the fifth session of the SARPC and decided to submit it to the preparatory meeting of the fifth session of the SARPC for election. The meeting passed resolutions to be adopted by the fifth session of the SARPC on establishing a motions screening committee and a plans screening committee and submitted them to the preparatory meeting of the fifth session of the SARPC for examination and discussion. The meeting passed a draft namelist of the chairman, vice chairmen, and members of the motions screening committee of the fifth session of the SARPC and submitted it to the preparatory meeting of the fifth session of the SARPC for election. The meeting passed a draft namelist of the chairman, vice chairmen, and members of the plans and budget screening committee of the fifth session of the SARPC and submitted it to the preparatory meeting of the fifth session of the SARPC for election. The meeting passed a work report of the SARPC Standing Committee and submitted it to the fifth session of the SARPC for examination and discussion. The meeting passed a report made by the credentials committee of the SARPC Standing Committee on its screening of the credentials of the new deputies elected in a by-election to the SARPC. The meeting passed a legislative program to be adopted by the autonomous region during the Eighth Five-Year Plan period, a namelist of personnel to be present at the fifth session of the SARPC as observers, and a proposal on personnel appointments and dismissals.

Sawdanov Zayir, Zhang Sixue, Mahinur Kasim, Shi Geng, Zhang Shaopeng, Ma Mingliang, Abdurehim Litip, Xu Peng, and Abulayoufu, vice chairmen of the Autonomous Regional People's Congress Standing Committee, and (Yasheng Nasheer), secretary general of the Autonomous Regional People's Congress Standing Committee, attended the meeting. Present at the meeting as observers were Hederbai, vice chairman of the Autonomous Regional People's Government; (Li Tianju), vice chairman of the Autonomous Regional Committee of the Chinese People's Political Consultative Committee; and the responsible comrades of the Autonomous Regional Higher People's Court and People's Procuratorate.

Central Ethnic Work Conference Helds

*OW2302020292 Urumqi Xinjiang Television Network
in Mandarin 1655 GMT 21 Feb 92*

[Video report by reporters Chen Junzhi and Meng Huchun; from the "Xinjiang News" program—read by announcer]

[Text] The Propaganda Department of the regional party committee and the Regional Nationalities Affairs Commission invited some ethnic celebrities to a forum yesterday to convey and study the guidelines of the central ethnic work conference.

Attendees of the forum, who came from various ethnic groups, said: The Central Ethnic Work Conference, which was convened by the party Central Committee and the State Council, embodies the central authorities' care for ethnic minorities and the regions which they inhabit.

They said: The party and the government have done a great job in developing Xinjiang's economy and in narrowing its gap with the coastal provinces. The central authorities have given tremendous support to exploiting mineral resources in the region, and have organized manpower and financial resources to develop the regional economy through exploiting petroleum ores. Enterprises in the hinterland have also rendered support to relevant enterprises in Xinjiang.

They said: While developing the regional economy, we should also strengthen education on national unity and on the theory and policies on ethnic affairs. We should maintain vigilance against infiltration, sabotage, and subversive activities by hostile forces.

Some attendees offered sincere suggestions for improving ethnic affairs in Xinjiang.

Official Comments on Cultural Exchange

OW2102223692 Beijing XINHUA Domestic Service
in Chinese 1239 GMT 21 Feb 92

[By reporter Guo Lingchun (6753 3781 2504)]

[Text] Beijing, 21 February (XINHUA)—During the past eight years, more than 30 Taiwan movies and 550 Taiwan television films have entered our urban and rural film and television markets from the opposite shore of the Taiwan Strait. According to an analysis by a responsible person of a local department of the Ministry of Radio, Film, and Television, the reason for this is that the people of one family who live on both sides of the strait need mutual understanding. Also, increasing economic exchanges are promoting cultural contacts.

Meanwhile, 10 movies have been produced via cooperation by both sides of the strait. The mainland has hosted more than 100 Taiwan television film production groups. Taiwan Producer Qiu Fuxian, who has invested in the movie industry on the mainland, said that the people on both sides of the strait who had been separated for a long time have discovered that they share similar customs and believe that movies and culture are the easiest way to share their feelings.

Nevertheless, this very fruitful exchange is still a one-way street. Deputy Director of the Movie Bureau Bao Tongzhi could not help but express his regret over this situation. The policymakers of 11 powerful movie companies in Taiwan who have been aware of this question have expressed the hope that this situation will be changed as soon as possible. At a forum for exchanges between the movie and television communities of the two sides of the strait, which was held in Beijing today, they distributed copies of a plan for sending movies from the mainland to their colleagues in the Taiwan area and also expressed their willingness to use civilian forces to promote two-way exchanges between the movie and television communities.

The China Cooperative Movie-Making Company reiterated once again that the movie community on the mainland will always open its door to Taiwan counterparts. It is not necessary to confine the method of cooperation to one pattern. Cooperation may take the form of sole investment or cooperative investment, and new forms of cooperation may be discussed. During their recent gathering, the directors from Hong Kong, Taiwan, and the mainland proposed: Let us pool the cultural wisdom of the Chinese nation and ride the boat of film art across the ocean to enter the international film arena.

During a meeting yesterday with people of Taiwan's movie and television communities who were going to attend the forum, Wang Zhaoguo, director of the Taiwan Affairs Office under the State Council, said: "Things

look good for two-way exchanges between both sides of the strait. In my opinion, film and television exchanges should lead the way."

The forum was sponsored by the Chinese Cultural Exchange and Cooperation Promotion Society, which was founded at the end of last year. It was attended by more than 50 people of the movie and television circles from our side and from Taiwan.

Officials Meet Taiwan Movie Art Delegation

OW2302150792 Beijing Central People's Radio
in Mandarin to Taiwan 2200 GMT 22 Feb 92

[From the "News and Current Events" program]

[Text] When meeting a delegation of the Taiwan Cross-Strait Movie Art Association on 21 February, Tang Shubei, executive vice chairman of the Association for Relations Across the Taiwan Strait [ARATS], said: The Chinese culture is the foundation for uniting the peoples on the two sides of the strait. We should increase our common understanding through cultural exchanges. Tang Shubei said: The ARATS is willing to establish contacts with organizations from all sides on the island based on its aim of promoting cross-strait exchanges and strengthening cross-strait relations. Tang Shubei praised the moves by the movie and television circles on Taiwan in recent years to promote exchanges and cooperation on the two sides of the strait. He said: Because of this, the Taiwan authorities have gradually abolished some restrictions. We are willing to promote cooperation and exchanges between the movie and television circles on the two sides of the strait.

Tang Shubei said: We have noticed that the Taiwan authorities recently canceled the stipulation requiring mainlanders entering Taiwan to declare their party membership. He hoped that political belief would not prevent the mainland compatriots from going to Taiwan.

On 20 February, Wang Zhaoguo, director of the Taiwan Affairs Office under the State Council, met the delegation led by Chiu Fu-sheng.

Mainland Reporters' Visit to Taiwan Reviewed

HK2402022092 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0752 GMT 23 Feb 92

[Text] Hong Kong, 23 Feb (ZHONGGUO TONGXUN SHE)—According to reports from Taipei, a special correspondent for Taiwan's CHUNG KUO SHIH PAO [CHINA TIMES] dispatched a report from Beijing, saying that the mainland departments concerned are making positive reactions to the invitation of Taiwan's Straits Exchange Foundation, and are preparing to send reporters to Taiwan to make news coverage. As soon as the issue concerning the reporters' CPC membership is solved, the first group of mainland reporters will be able to set off at any time.

Reportedly, the mainland authorities are ready to realize the mainland reporters' visit to Taiwan, but they do not want to see that events similar to last year's Wang Fengqi incident will happen to mainland reporters with CPC membership. A senior official of the mainland's Association for Relations Across the Taiwan Strait said that they hope that it will be first made certain that mainland reporters with CPC membership can smoothly enter Taiwan and fulfill their new coverage mission before the time of mainland reporters' visit to Taiwan is fixed.

This senior official pointed out: The mainland authorities did notice that the Taiwan judicial organ acquitted Chang Chi-chien of the crime of rebellion, and also noticed the statement of the Legal Section of the Straits Exchange Foundation by citing this legal precedent. At the same time, the mainland authorities also noticed that Chen Han, Taiwan's chief procurator, said that such cases will still be investigated and handled. In these circumstances, it is hard for the mainland side to allow mainland reporters to visit Taiwan without any guarantee.

Mainland, Taiwan Jointly Develop Fishing Industry
OW2202170992 Beijing XINHUA in English 1448 GMT 22 Feb 92

[Text] Dalian, February 22 (XINHUA)—Fisheries interests on both sides of the Taiwan Straits are co-operating in developing the deep-sea fishing industry.

Two trawlers of the newly established Dalian Jinbin Company Ltd will leave for Latin America in the next few days to catch squid. The company is jointly run by the Dalian Ocean Fishing Company and a Taiwan company, and was established February 21 in Dalian.

This is the mainland's first joint venture with Taiwan for squid catching and processing. The total investment in the company comes to more than seven million U.S. dollars.

All of the squid caught by the company will sent back to Dalian for processing and will be sold both at home and abroad.

Canadian Parliamentary Mission To Visit Taipei*OW2202170692 Taipei CNA in English 1454 GMT
22 Feb 92*

[Text] Taipei, Feb. 22 (CNA)—A 10-member delegation of the Canadian House of Commons, led by the Progressive-Conservative member of parliament Geoff Wilson, will arrive in Taipei Sunday for a weeklong visit.

While in the Republic of China, the mission will meet with Legislative Yuan speaker Liu Sung-fan, Foreign Minister Chien Fu, Council of Labor Affairs Chairman Chao Shou-po and other ranking officials.

The group, which includes seven Canadian MPs, will also visit cultural and economic institutions of the Republic of China before leaving on Feb 29.

Kyrgyz Official Arrives for 'Private' Visit*OW2402081592 Taipei CNA in English 0744 GMT
24 Feb 92*

[Text] Taipei, Feb. 24 (CNA)—A ranking Kyrgyz official arrived in the Republic of China Sunday for what he called a "purely private and commercial" visit.

M.I. Paryshkula [name as received], chairman of the State Committee for Foreign Economic Relations of Kyrgyzstan, denied that the central Asian country is planning to set up official ties with Taiwan.

The cabinet level official said Kyrgyzstan is a member of the Commonwealth of Independent States (CIS) which, unlike the three Baltic states, must consider the positions of other CIS states when it comes to establishing formal ties with a country.

Paryshkula and his four-member party, which will stay here for four days, were greeted at the airport by Luo Chih-yuan, director of the Department of West Asia of the Ministry of Foreign Affairs.

Luo said Kyrgyzstan had never had any contact with the Republic of China. The government will take the opportunity of Paryshkula's visit to try to set up channels of communication with Kyrgyzstan, he added.

How bilateral ties will develop depends on the talks between both sides during the coming few days, Luo added.

Japanese Businesses Urged To Increase Purchases*OW2102135492 Taipei Voice of Free China
in English 0200 GMT 21 Feb 92*

[From the "News and Commentary" program]

[Text] Economic Minister Chiang Ping-kun said on Thursday that ROC [Republic of China]-Japan bilateral trade relations have made substantial progress thus far this year, adding that he hopes Japanese firms will continue to take measures to increase purchases of Taiwan products. Chiang made the statement at the

opening of the conference between large firms from Taiwan and Japan in Taipei.

Chiang said that the ROC is taking measures to curb its mounting trade deficits with its northern neighbor. Twenty representatives of large-scale Japanese firms were invited to participate in the Taipei conference to discuss issues regarding technology transfer and cooperation between Taiwan and Japan, and how to increase balanced trade between the two economies.

Hsiao Wan-chang Says Latin America 'Big Market'*OW2202084292 Taipei CNA in English 0810 GMT
22 Feb 92*

[Text] Taipei, Feb. 22 (CNA)—Latin America is a big market worth Taiwan entrepreneurs' attention and efforts to develop, Economics Minister Hsiao Wan-chang said Saturday.

He told the press that in order to develop the Latin American market, the government will be glad to help establish a Taiwan trade center and branches of Taiwan banking institutions in Miami, Florida. He also hopes that Taiwan's various trade associations will establish cooperative relations with their counterparts in Mexico, Brazil, and other Latin American countries.

Hsiao, who has just returned from a trip to several countries in Latin America, said that Mexican Government leaders have pledged to promote trade with Taiwan. A Mexican trade official is expected to visit Taipei in the near future, he added.

Hao Po-tsun Urges Mainland To Promote Democracy*OW2102151992 Taipei CNA in English 1439 GMT
21 Feb 92*

[Text] Taipei, Feb. 21 (CNA)—Premier Hao Po-tsun Friday urged Mainland China to promote democracy and recognize the Republic of China as an equal political entity in order to put its relations with Taiwan on the right track.

In his oral administrative report to the Legislative Yuan, Hao said the Chinese Communist regime should realize that communism is doomed to fail on the Chinese Mainland, as what had happened to it in the former Soviet Union and East European countries.

The Peking regime should also respect human rights and freedom of speech, and forget their animosity toward Taiwan so that the two sides of the Taiwan Straits can improve their relations.

Premier Hao was invited by the Legislative Yuan to make an oral report on the government's operations in the first half of the 1992 fiscal year. The 89th session of the Yuan opened Friday.

Hao said the relations between Taiwan and the mainland can not improve, unless conditions are created to fully

permit the two sides to compete peacefully, recognize each other as an equal political entity, and coexist in the international community.

Premier Hao also urged the people of the Republic of China on Taiwan to support the government's policy toward Mainland China. It is in the best interest of the people to allow the government to carry out its mainland policy steadily in accordance with the "National Unification Guidelines," he said.

The National Unification Guidelines are aimed at unifying China in three stages under the principles on freedom, democracy, and an equitable distribution of wealth.

Hao said that to unify China is a long-term goal of national development. Currently the government is actively and steadily pursuing the goal with farsightedness and pragmatism, he added.

To unify China is not for one side to swallow or eliminate the other side but for the two sides to narrow down the gap between them by promoting democracy and free economy under the premise of one China for eventual national unification, the premier stressed.

He said that cross-straits relations have improved, but a lot of efforts still have to be made on the basis of mutual respect and mutual trust in order to further improve the relationship.

Hao pointed out that different social system and ideology have created a wide gap between the two sides of the Taiwan Straits.

The Peking regime still insists on [words indistinct] "one country, two systems" unification formula, refuses to renounce the use of force against Taiwan, and attempts to isolate Taiwan in the world community, he said. Under such circumstances, a benign relationship cannot exist between the two sides.

It is impossible for Taiwan to open direct links of mail trade and transportation with the mainland until Peking removes these obstacles to the improvement of relations, he said.

The premier stressed that all Chinese people should contribute to national unification with an open heart, farsightedness, and patriotism.

Briefs Legislative Yuan

OW2102151792 Taipei CNA in English 1430 GMT
21 Feb 92

[Text] Taipei, Feb. 21 (CNA)—Premier Hao Po-tsun said Friday that the Republic of China's achievement in promoting democracy and economic prosperity will certainly accelerate the transformation of Mainland China to a democratic society.

In his oral administrative report to the Legislative Yuan, which inaugurated its 89th session Friday, the premier

said the Chinese Communist regime will eventually succumb to the powerful Chinese culture.

He added that true economic and political systems of Chinese (?with characteristics) and true Chinese way of living will eventually be restored to the people on the Chinese Mainland.

The premier said the world situation is bright. A new world order is being established after the collapse of communism in the former Soviet Union and East European countries last year, he added.

In the new world, democracy, freedom, and human rights will become the criteria for judging a nation's status in the world; economic strength will be seen as an indicator of a country's vitality; and regional cooperation will enhance world peace and harmony, Hao said.

The Government of the Republic of China is trying to build Taiwan into a high-quality society so that it will be fully respected in the world, and [words indistinct] be able to serve as a model for future development of the Chinese Mainland, he pointed out.

"We should be fully aware of our own strength and potentials, and understand what role we can play in the world community," Hao said.

The Republic of China is willing to play a useful role in the world community by stepping up cooperation with the rest of the world and fulfilling its international responsibilities, he added.

Premier Hao said the government has steadily (?promoted) democracy and party politics in Taiwan with great determination, patience, and enthusiasm.

To ensure national security, the government is making great efforts to develop defense technology and modernize the Armed Forces, he added. The government is also doing its best to promote economic development.

He urged the Legislative Yuan to enact the 27 laws waiting [words indistinct] as possible so that the government can smoothly carry out its duties for the welfare of the people.

Addresses Students

OW2402085592 Taipei CNA in English 0801 GMT
24 Feb 92

[Text] Taipei, Feb. 24 (CNA)—Premier Hao Po-tsun Saturday urged college students completing a military training program to dedicate themselves to transforming the Republic of China [ROC] into a modern democracy.

"Only when we have spread the ideas of freedom and democracy on both sides of the Taiwan Straits, can we make the 21st century the Chinese century," Hao said.

The premier made his remarks at the Cheng Kung army base in central Taiwan while presiding over a ceremony concluding 1992's third military training program for college students.

College students in the ROC must receive six weeks of military training before they graduate.

White Paper on S&T Role in Weapons Development

OW2202112592 Taipei CHUNG KUO SHIH PAO
in Chinese 18 Feb 92 p 9

[Special report on "National Defense White Paper" released by Defense Ministry on 17 February: "Enhance National Defense Technology; Achieve Independence in Weapons Research and Development; Combine Strengths of Academical and Industrial Circles for Unified Planning and Achievement of Greatest Efficiency]

[Text] Science and Technology for National Defense and National Security

As modern warfare is high technology warfare, science and technological capability has become one of the important yardsticks of combat capability. This is because such capability is not only the foundation of military technology that guides research, development, and creation of war instruments and production and manufacturing of weaponry but that it also has a direct effect on changing war strategies and tactics and can be a factor determining victory or loss in a major battle. Ever since the Persian Gulf war, people have implicitly deeply realized the key role in national defense played on the battlefield by science and technology.

The development of science and technology for national defense requires many conditions and substantial investments. Generally, it is in direct proportion to the extent of a nation's industrialization—the more advanced a nation's industries, the higher its success in science and technology. Of course, there are certain autocratic and totalitarian countries that immerse themselves into weapons research and development, paying no attention to balanced development of other sectors. This practice is not worth copying. Research and development in high technology, however, is by no means exclusive to big countries. Nations with less strength, after taking into consideration both realities and ideals, can also specialize in developing some special weapons systems by utilizing their existing foundations. This also will help in enhancing their deterrent power and further consolidating national defense.

In an effort to closely combine academic and industrial sectors, this ministry has formulated and promulgated "Plans for Developing Science and Technology for National Defense." In addition, this ministry, in conjunction with the National Science Council, the Education Ministry, the Economic Affairs Ministry, and others, has formed "The Implementation Committee for Developing Science and Technology for National

Defense." Through the two Coordinating Subcommittees on "Academic Cooperation" and "Industrial Cooperation," both established under the above committee, expertise and strength of the academics will be utilized in the research and development of science and technology for national defense. With the coordination of and guidance from the industrial sector, academics will involve themselves in weapons development and manufacturing. Simultaneously, in the wake of transformation of economic development, efforts will be made to positively guide private enterprises and enhance their capabilities in producing military equipment for use during wartime, hoping that this unified utilization of the strengths of the military, private enterprise, and the people will accelerate the research and development of new weaponry by avoiding overlapping investments. Future objectives of developing science and technology for national defense should be "developing crucial science and technology within the country, creating one multi-use system for weapons research and development, and remaining free of others' control"—a bid to reap maximum returns from limited manpower, financial strength, and material resources in establishing a solid foundation for science and technology for both national defense and industry.

SEF Appoints Chen Jung-chieh Secretary General

OW2202083592 Taipei CNA in English 0757 GMT
22 Feb 92

[Text] Taipei, Feb. 22 (CNA)—The Board of Directors of the Straits Exchange Foundation (SEF) Friday approved the resignation of C.V. Chen as secretary general.

The board also approved the appointment of Chen Jung-chieh, C.V. Chen's deputy, to take up the important post.

The board's 30 directors and three supervisors, however, agreed that C.V. Chen, as vice chairman of the board, will continue to help his successor handle civilian exchanges across the Taiwan Straits.

Legislators have demanded that the SEF secretary general be a full-time job. The board's decision Friday will put an end to controversies over C.V. Chen's status.

Chen Jung-chieh, who took over the job Saturday, said department chiefs will not be changed.

Chen said he will "patiently" seek the support of legislators and the public for SEF goals. "I know communications are very important in arriving at a consensus," he noted.

As to cross-strait exchanges, he said he will focus efforts on cooperation in verifying documents and combatting crime across the straits.

Taichung 23 Feb March Ends Peacefully

*OW2402092692 Taipei CNA in English 0811 GMT
24 Feb 92*

[Text] Taipei, Feb 24 (CNA)— The opposition-sponsored march calling for Taiwan's admission to the United Nations ended peacefully in Taichung, central Taiwan, Sunday.

More than 10,000 people participated in the "Feb. 23 grand march" which also called for the direct popular election of the president and the abolition of Article 100 of the criminal code.

The demonstrators, proceeding in lines extending about five kilometers, also called for the disbanding of the

Executive Yuan's political screening committee and the resignation of Premier Hao Po-tsun.

Catching the eyes of onlookers was a 500-meter-long banner calling for a national referendum on the country's entry into the UN.

Organizers tried to invite Taichung citizens to join the march, but they mostly refrained, with some responding by clapping their hands.

A large number of police were mobilized to maintain order during the march, which seriously congested traffic in downtown Taichung.

The march, which began at 3:30 P.M., ended peacefully and rationally three hours later.

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